

JPRS-WER-84-083

9 July 1984

West Europe Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

9 July 1984

WEST EUROPE REPORT

CONTENTS

ARMS CONTROL

FRANCE

- Gallois Views Effect of 'Space War' Plan on Defense Strategy
(Pierre-Marie Gallois; POLITIQUE INTERNATIONALE, 1984)... 1

NETHERLANDS

- Commentator Sees Cruise Missile Decision as Positive
(J. M. Bik; NRC HANDELSBLAD, 4 Jun 84)..... 16

SPAIN

- Laborites, Young Socialists Support Anti-NATO Protest
(ABC, 1 Jun 84)..... 19

POLITICAL

BELGIUM

- Political, Economic Relations With PRC
(Claude de Groulart; LE SOIR, 2-3 Jun 84)..... 21

DENMARK

- Jorgensen Praise of North Korean Government Criticized
(BERLINGSKE TIDENDE, 18 May 84)..... 24

Liberals, Conservatives Received Invitations,
by Michael Ehrenreich
Conservative Daily Questions Cordiality, Editorial

FEDERAL REPUBLIC OF GERMANY

- Bahr Backs Chernenko Proposal on Superpower Code of Conduct
(Econ Bahr; ZA RUBEZHOM, No 18, 27 Apr-3 May 84)..... 26

FINLAND

- Christian Party Adopts 'Green' for Elections
(HELSINGIN SANOMAT, 2, 3 Jun 84)..... 29
- Additional Nuclear Plants Opposed, by Kari Huoviala
Almgren Re-elected Chairman

FRANCE

- Mitterrand's Views of USSR, Communism Sway Foreign Policy
(Alain Besancon Interview; POLITIQUE INTERNATIONALE,
Apr 84)..... 32

ICELAND

- Vigdis Finbogadottir Remaining as President
(HELSINGIN SANOMAT, 29 May 84)..... 36

NETHERLANDS

- De Koning on Independence of Netherlands Antilles
(ANP NEWS BULLETIN, 6 Jun 84)..... 37
- Denies 'Blackmail'
Antilles Against Independence

NORWAY

- Treholt Affair Seen as Liability for Labor Party
(Elisabeth Crona; SVENSKA DAGBLADET, 23 May 84)..... 39

PORTUGAL

- Comments on Candidacies to Presidential Elections
(O JORNAL, 1-7 Jun 84; TEMPO, 31 May 84)..... 43
- CDS Sa Machado's Partisans
Report on Freitas do Amaral, by Leonor Ribeiro
- Increasing Support Seen for 'Eanista' Party
(Jorge Nuno Oliveira; TEMPO, 31 May 84)..... 44

Angolan Diamond Trial, Continuing Downturn in Relations
(EXPRESSO, 2 Jun 84; O DIA, 2 Jun 84)..... 46

Angolan Handling Deplored, by Miguel Sousa Tavares
Portuguese Inaction Protested, by Vincente Jorge Silva
Angolan Interference Charged

Local Popular Reaction to GEODSS Seen Positive
(O DIA, 4 Jun 84)..... 51

Briefs
Clarification on Eanes Medal 53

MILITARY

EUROPEAN AFFAIRS

Nordic Defense Ministers Meet To Discuss Middle East Forces
(HELSINGIN SANOMAT, 23 May 84)..... 54

NORWAY

Socialist Party Defense Program Includes NATO Withdrawal
(Thorleif Andreassen; AFTENPOSTEN, 29 May 84)..... 56

Liberal Party Wants Shorter Enlistment, Sub Purchase Halt
(Liv Hegna; AFTENPOSTEN, 29 May 84)..... 58

Poll Finds Willingness To Boost Conventional Forces Budget
(AFTENPOSTEN, 29 May 84)..... 59

Domestic Industry Benefiting From Sub Contract With FRG
(AFTENPOSTEN, 30 May 84)..... 61

Briefs
Delay for Loran-C Expansion 62

PORTUGAL

Experts Discuss Plan for National Defense
(DIARIO DE LISBOA, 4 Jun 84)..... 63

Garcia Dos Santos Protests Lack of Reassignment
(DIARIO DE LISBOA, 6, 7 Jun 84; A TARDE, 8 Jun 84)..... 65

Note to Defense Ministry Unanswered
Defense Ministry Professes Ignorance
Salazar Braga Intervention

ECONOMIC

BELGIUM

- Employers' Leysen on Economic, Industrial Policy
(Andre Leysen Interview; KNACK, 9 May 84)..... 67

FINLAND

- Population Growth Continues To Slow Down
(HELSINGIN SANOMAT, 21 May 84)..... 76

FRANCE

- Reduction in Work Hours Pushed To Check Unemployment
(LES ECHOS, various dates)..... 79
- 'Microeconomic' Approach Preferred, by Adrien Popovici
Government Incentives for Companies
Conference on Unemployment Held, by Adrien Popovici
- Sorbonne Commentator on Hindrances to Economic Revival
(Raymond Soubie; LE NOUVEL ECONOMISTE, 7 May 84)..... 85
- Interpretation of Foreign Trade Decline in April
(Jean-Claude Hazera; LE NOUVEL ECONOMISTE, 4 Jun 84)..... 87
- Industrial Research Agencies Suffer 'Drastic' Budget Cuts
(LE NOUVEL ECONOMISTE, 28 May 84)..... 92
- National Scientific Research Center Shows Progress in 1983
(LE NOUVEL ECONOMISTE, 4 Jun 84)..... 94
- Crash of Mirage 2000 May Prejudice Aircraft's Sales
(LE NOUVEL ECONOMISTE, 21 May 84)..... 96

PORTUGAL

- Lower Balance of Trade Deficit Due to Low Economic Activity
(Nocolau Santos; O JORNAL, 25 May 84)..... 98

ENERGY

EUROPEAN AFFAIRS

- Briefs
Swedish-Norwegian Offshore Cooperation 100

PORTUGAL

Sines Thermoelectric Power Plant To Open in 1985 (O JORNAL, 25 May 84).....	101
--	-----

SPAIN

Energy Policy Seen Source of Future Job, Profit Loss (ABC, 1 Jun 84).....	103
--	-----

GALLOIS VIEWS EFFECT OF 'SPACE WAR' PLAN ON DEFENSE STRATEGY

Paris POLITIQUE INTERNATIONALE in French Spring 84 pp 185-203

[Article by Air Force Gen Pierre-Marie Gallois]

[Text] Pierre-Marie Gallois is a general in the Air Force Reserve Corps. He was assigned to Inter-Allied Headquarters, where he studied long-range strategic plans. He is the author of the following books, among others: "La strategie de l'age nucleaire" [Strategy of the Nuclear Age] (Calmann-Levy, 1960), "Paradoxes de la paix" [Paradoxes of Peace] (Present Time Press, 1967), "L'Europe change de maitre" [Europe Gets a New Master] (L'Herne Publishers, 1972), "La grande berne" [The Big Hoax] (Plon, 1976), "L'adieu aux armes" [Farewell to Arms] (Albin Michel, 1976), and "Le renoncement" [The Renunciation] (Plon, 1977).

Since the end of World War II, the United States has altered its strategic doctrine only once. And even that involved only minor modifications that were adopted after lengthy reflection. To the concept of massive retaliation, contemplated as early as 1945 and officially endorsed by the State Department in 1954, was added--over 20 years later--the possibility of exercising "limited options" in the form of "flexible response." But it was understood that if those "moderate" warnings did not force negotiation, the United States would revert to annihilation of the enemy. It is hard to imagine that after taking the initiative of doing battle, the Soviet Union would back off at the first U.S. warning shots instead of using all its reserves to win the day. Since the advent of the atomic bomb, it seemed that in the event of confrontation, an escalation of violence would be inescapable and U.S. strategy immutable. And in fact, it has remained immutable until now.

But then, destroying the very foundations of a concept proven by nearly 40 years of compulsory peaceful coexistence, President Reagan revealed that by the end of the century, U.S. security would be based on a completely different doctrine. It would not be left to the threat of nuclear retaliation--either massive or selective--to discourage aggression against the U.S. population and territory. Instead, defense would be based on a nonnuclear space system capable of destroying Soviet missiles before they reached U.S. soil. Instead of relying

on the sword of retaliation, the American people would entrust their future to the shield of defense. It would no longer be the aggressor, but his rockets, that would be struck down. Discussing the future U.S. strategy on 23 March 1983, Ronald Reagan asked: "Isn't it better to save human lives than to have to avenge them?"¹

Appropriations, studies, research, and tests are now being directed toward new technological conquests, while an entirely new concept of U.S. security is being worked out. A great number of political, social, scientific, technical, military, and financial events, all of major importance, were no doubt necessary to bring the United States to the point of drawing a line through the efforts of 40 years--and successful efforts at that--and abandoning a strategy it had produced at the dawn of the atomic age and untiringly maintained while adapting it to developments in weapon technology and even hoping that the Soviet Union would share it so as to strengthen world peace.

What were those events of major importance? What is the significance to West European countries of the new American idea concerning U.S. security in the future? What weapons and what doctrine will the states on the West European isthmus be forced to adopt if the Soviets follow the same path and substitute a laser space shield for the nuclear thunderbolts of their SS-11's, SS-18's, SS-19's, and now SS-20's?

From Shortage to Superabundance

It is rare for a particular notion of war to engender the corresponding armaments. On the contrary, most often it is the performance and nature of the means of combat which determine military doctrine. Until the last few years, the weapons of mass destruction as they existed were poorly adapted to the subtleties that always exist in strategic thinking. So it is not surprising that the atom did not really result in more than a single doctrine, at least in the West: that of paralyzing antagonistic forces with the fear inspired by irreparable retaliation. Tens of thousands of studies have helped to alter that strategy--through successive minor modifications--solely in order to keep up with the pace of scientific innovation and make allowance for the increasing stocks of weapons being accumulated on both sides.

No one in the West knows what operational plans the Soviets first came up with when they began mastering the atom for military purposes. On the other hand, the United States made no mystery of its own. As early as 1945, on the theory that those who were allies at the time might eventually fight each other, it was planned that U.S. bombers would undertake a limited attack--limited by the number of projectiles available to the Atomic Energy Commission, which at the time controlled all the new projectiles--on about 20 population centers to paralyze the apparatus for the production of ground and air weapons. Four years later, U.S. strategic operations would have been more extensive: 300 projectiles and 20,000 tons of conventional bombs would have wiped out 200 military targets as well as industrial and economic centers and their inhabitants, since about 100 urban areas were among the targets. Up to that time, nuclear war would have resembled the final conventional bombing campaigns against Germany and Japan at the end of World War II. But the Soviet Union's first test

explosion of an atomic bomb (in April 1949) resulted in new priorities, and from then on, naturally, it was to be the facilities for launching, storing, and producing nuclear weapons that would take priority in all future war plans. Ten years later, the list prepared by the new joint staff in charge of assessing enemy installations to be destroyed and also establishing the general form of attack included 2,000 targets.² By 1974, the same list had grown to 25,000, and by 1982 it was up to 40,000.

Presidential Thinking and Armaments

If, during the 25 years following World War II, the numerous confrontations between the two antagonistic powers had led to a mutual exchange of missiles, each operation would have been carried out differently, even though U.S. strategic doctrine did not change. For example, the hostilities that might have resulted from the Berlin Blockade of 1948 would not have been comparable to those that were feared--mistakenly--during the Cuban crisis of 1962, and they would have differed even more strikingly from the armed conflict that was contemplated for a time at the end of the Yom Kippur War, when the Strategic Air Command was placed on alert (1973). At the time, Washington realized that there was a disproportion between the destruction of Soviet society and the return of the Soviets to Egypt. Political wisdom required a shift in doctrine. The abundance of nuclear warheads then available, combined with the new accuracy of missiles,³ made it possible.

On entering the White House, U.S. presidents never fail to revise the strategic doctrines they have inherited. Jimmy Carter was no exception. Although he wanted to be the president who would achieve disarmament--even unilateral disarmament--he accepted the ideas of his predecessors as his own, and after 2 years of study, he developed U.S. war plans even further--although admittedly more on paper than in actuality. While the principle of annihilation of the antagonistic society was retained--and priorities in the chronology of attacks were kept more or less the same--the new teams of experts were won over to the ideas advanced in 1973 and 1974 by James Schlesinger⁴ concerning the political and strategic importance of "limited and selective operations." From then on, if nuclear war broke out, it would no longer be conducted as conceived by McNamara 10 years earlier. It was now pictured as being more extensive in time and space: each belligerent's avenging spasm would give way to a succession of attacks carried out with more accurate weapons having less destructive energy and intended to wreak more subtle ravages.

The Soviet Union's economy and industry were to be the targets, not only to paralyze its war machine and break its will to fight but also to prevent it from rising rapidly from its ruins. During the exchange of attacks, new targets would be chosen and destroyed because the Soviets would certainly adjust to the various phases of reprisal by deploying their commands and units differently. From the start of the altercation and for as long as it lasted, the USSR's political and military command would remain the target of American warheads. The political staffs, the party apparatus, the police system for control and repression, and the military command posts--the entire vast establishment, regardless of where it had been moved to escape U.S. reprisals--was to be set upon and annihilated. And along with that, why not weaken Soviet positions in Asia so as to encourage China to demonstrate its aggressiveness?

That ambitious plan called for improving the vast system of space surveillance and communication already at the disposal of the Chief Executive and the Pentagon. It was also necessary to ensure that that system would escape destruction and that it would accomplish all its missions under the worst circumstances. Space and its multiple technologies would also be taken advantage of to ensure that the United States, after being weakened by the effects of Soviet weapons of mass destruction, could get its breath back in a recovery that would still be more or less planned.

And so nuclear warfare was "organized." In the minds of the planners, that "organization" was supposed to make the threat of such a war even more remote. Presidential Directives No 58 (June 1980) and No 59 (July 1980) instructed the secretary of defense to draw up new plans covering preparations for war and the conduct of possible operations. It is known that during the debate on Euro-missiles, some Soviet experts let it be known that the nuclear weapons deployed on European soil were the instruments of the strategy established by Presidential Directive No 59. As often happens in such cases, Carter the "disarmer" wound up by creating a situation diametrically opposed to the one he had been dreaming of when he took office.

United States Wonders How To Pay for Detente

But from the start of his presidency, Ronald Reagan noted that there was a big difference between the stated strategy of his predecessor and the dimensions of the military apparatus the latter had bequeathed to him. The double trauma of the defeat in Vietnam and the economic slump had hastened the pace of obsolescence in the U.S. Armed Forces. For the previous 15 years, the Air Force had been trying in vain to get permission to start building a new bomber. Congress, the media, public opinion, and study groups were constantly challenging the validity of military programs. Debate over replacement of the first Minuteman ballistic missiles had been going on since the early 1970's without any decision being reached. While the Navy had succeeded in putting across its Trident submarines, the Army had been less fortunate with its projects for new equipment. It was then that the United States discovered with astonishment the formidable buildup that the Soviet Union had achieved while the United States was slowing down its efforts.

Buried in about 1,000 silos scattered over federal territory, the Strategic Air Command's long-range ballistic missiles have been modernized only twice during the past 20 years,⁵ whereas during the same period, the Soviet Union has managed to deploy five successive generations of such missiles, each more powerful, more accurate, and carrying more nuclear warheads (some 6,000 warheads, compared to the 2,150 installed on U.S. Titan II's and Minutemen). Designed and built between 1954 and 1960, U.S. strategic bombers are now older than their crews, whereas the USSR has updated its air fleet by putting its Backfires into service and is now putting the final touches on a new superbomber called the Blackjack (its NATO code name). The U.S. Navy settled for about 30 ballistic-missile submarines while in the opposing navy, Admiral Gorshkov had three times as many. Russian Typhoons, of greater tonnage than the Trident I's, are now under construction, and they will not be faced by equivalent U.S. submarines until 1989, when the Trident II's go into service. In 10 years, the United

States has built 27 attack submarines, while the Soviet Union has built 61. And in the case of ballistic-missile submarines, the U.S. Navy has added only two to its inventory, while the USSR has launched about 60 during the same period.

In Europe, where the confrontation is most spectacular, President Reagan's team noted that the Warsaw Pact had four times as many tanks as NATO, three times as many antitank guns in its artillery, and twice as many attack submarines, as well as 4 million men where NATO had only 2.5 million.

Reagan therefore lost no time in announcing a new rearmament plan for "defending peace beyond this century." To which TASS retorted that the new president was trying to achieve strategic superiority over the USSR. Actually, the goal was more modest: it was a matter of making up for many years of illusion and passiveness in which Reagan's predecessors, relying on the traditional U.S. technological lead over Russia, had prolonged far beyond reason the life of weapons that for the most part had been designed and deployed between 1950 and 1970.

But at least three obstacles stood in the way of the strategic rectification desired by the new president: the extent to which his country was lagging behind, the effects of a major technological revolution, and the new awareness by the average American of the state of Soviet forces and their power. In addition, subtle propaganda was to set certain intellectual and religious circles in opposition to the restoration of U.S. military strength. By announcing the plan for space defense, Reagan overcame all those obstacles and canceled out a large share of the Soviet strategic effort. Although technologically premature, the President's statement was politically opportune.

It has long been taken for granted that the USSR would wear itself out trying to keep up with the United States in mastering the most advanced weapon technologies. But it must be noted that on the contrary, it is the United States which has been somewhat outdistanced. Not that it lacks the intellectual and material resources necessary for gaining the upper hand, but the democratic system is paralyzing--as it is everywhere, for that matter--the attainment of power through weapons. So many appropriations have been wasted in orders and counterorders! So many projects have been submitted to numerous commissions and carried out only after long and costly delays! So many administrative controls and contradictory congressional votes have increased the cost of design and manufacture! The usual comparisons between GNP percentages allocated to the armed forces are misleading, if only because within military budgets, the share allocated to personnel is much higher in the United States than in Soviet Russia, which devotes most of its resources to equipment.⁶

Because of the way political and social life is organized in the Soviet Union, the country's economy has adjusted to the government's tremendous efforts to provide itself with all the attributes of power. Strategic weapons, navies, space, and ground forces are all areas in which the USSR dominates today. The question arises: can the United States accept a position of clear military inferiority despite its human and material wealth? Although "sufficiency suffices" and the security of the American people does not depend on the superiority--or

even the inferiority--of its Armed Forces, an affirmative answer would lead the United States to play a secondary role. If, on the other hand, there is no question of giving up the privileges--and constraints--of being all-powerful, another question arises: considering the political and social structures of the United States, can it keep up with and win indefinitely the arms race now being carried on by the Soviets at top speed? Probably not. Neither Congress, nor public opinion, nor the time still left to President Reagan would allow him to take up the Soviet challenge. The only thing left is to think up a completely new strategy. Unlike the strategy it will replace, this new strategy must be made to measure for the United States as it is and not as it could be. It must also excite the American people's spirit of enterprise and exploit their mastery of science and technology. Lastly, it would be desirable for it to condemn to ineffectiveness the strategic apparatus built up with great difficulty by the Soviet Union. If effective, "defense from space" would meet all those criteria.

Good and Bad Aspects of Missile Accuracy

It is the accuracy of ballistic missiles--or self-propelled missiles such as the cruise missile--that has just revolutionized strategy.⁷ The upheaval goes beyond the purely military area, since its consequences extend to the political, social, and even moral and religious areas.

The point of impact of a missile fired from a very great distance is now almost at the center of its target. A surprising comparison can be made: a ballistic missile aimed at a target 10,000 kilometers away is no less accurate than an artillery piece firing its shells from a distance of 15 kilometers. Without worrying too much about the vast implications of their research, engineers--both American and Soviet--have succeeded in practically eliminating aiming errors with their missiles. Now that their work is done and tests have confirmed their calculations, they are just beginning to assess the numerous and important consequences.

It is true that the destructive energy carried long distances by bombers or rockets in the form of bombs or warheads has been reduced considerably, the reason being that the strategist no longer has to allow for the distance that once existed between the projectile's point of impact and the center of the target. Through the years, for example, the Americans have replaced the 20-megaton bombs in their heavy bombers with projectiles that are 5 times--or even 20 times--less powerful. On the other hand, the number of warheads or bombs has increased, as has the number of ballistic or cruise vehicles. Twenty-five years ago, the U.S. nuclear inventory probably consisted of between 10,000 and 15,000 projectiles of various kinds whose total energy was from 4,000 to 5,000 megatons. In 1965, strategic research institutes reported that the United States had a total of 12,000 megatons. In 1980, the 25,000 explosive charges in the U.S. inventory probably represented "only" 2,000 megatons.⁸ Although Soviet missiles as a rule are less accurate than their U.S. counterparts, it is probable that the Russian staff has followed the same path. At any rate, the SS-4 and SS-5 Euromissiles of the years from 1965 to 1980 carried warheads of between 1 and 3 megatons, whereas the SS-20's that are replacing them probably have explosive charges of "only" 50 to 160 kilotons. But there are more of them.

Combined with the increase in the number of warheads, that reduction in destructive energy has led to a modification of operational plans. The summary destruction of a few large urban centers that was envisaged at the start of the nuclear age has been replaced by plans for a general attack covering military, political, economic, and industrial targets scattered throughout the enemy's territory. One can imagine the scope and cost of such planning. It is certain that Reagan took this into consideration in drawing up his new strategic concept.

But the increased accuracy of long-range intervention weapons has many other consequences as well:

As long as aiming errors were measured in kilometers, missiles buried in concrete silos were practically invulnerable. To destroy all of them, a great many offensive missiles would have had to be launched against them, and each would have had to carry a powerful warhead. The detonations would have thrown millions of tons of debris into space, and since the Earth rotates from west to east, the radioactive fallout would have contaminated a large portion of the northern hemisphere, including Soviet territory.⁹ As a result, neither antagonist was inclined to strike first in an attempt to paralyze weapons whose use against him would have been impossible to withstand. Although their location was fixed and perfectly well known, those missiles in silos presented almost the same advantages as the submarines moving secretly beneath the sea, since their neutralization remained problematical. But then suddenly, better accuracy condemned them to destruction.¹⁰ If the submarine nuclear component did not exist, the accuracy of ballistic missiles would tempt one to take the initiative in attack so as to force the opponent to come to terms by disarming him through a first strike. To some extent, therefore, accuracy contributes to strategic instability. All the more since one response would consist of launching the missiles from their silos on warning. Since the warning in question would amount to tens of minutes and be provided by more or less reliable electronic devices not subject to immediate human verification, many of the conditions would then exist for triggering the irreparable. That is one of the bad effects of the technical feat represented by the extreme accuracy of long-distance projectiles.

There are others. In the United States, both Congress and the Pentagon had realized perfectly well that from then on, accurate weapons were going to alter profoundly both the strategy and the military apparatus of the United States. And the Soviets, for their part, reached the same conclusion.

In the case of the United States, the fate of its 1,000 Minuteman missiles--that is, the effectiveness of its policy of deterrence--depended on the accuracy of Soviet ballistic weapons. Were they or were they not capable of destroying the land-based component of the U.S. Triad strategy? And if so, what should be done?

The CIA, specially organized groups of researchers, and engineers and analysts from many U.S. centers for strategic studies were called in. After lengthy work and also harsh debate, it was generally acknowledged that at the start of the 1980's, and with its new, modified SS-19 missile being added to the best of the three models of the SS-18 missile, the Soviet command would indeed be

able to destroy from 80 to 90 percent of the Minuteman II and Minuteman III missiles. The Strategic Air Command would then lose almost all of its ballistic forces and the U.S. Government would be deprived of the means of making a response more precise and more closely under its control than that provided by the U.S. Navy's ballistic-missile submarines. Although illusory, the new Soviet threat appeared intolerable. President Carter therefore decided to put an end to the years of procrastination and ordered the mass production of the MX missile, which the U.S. Air Force had long been calling for. This new weapon was supposed to be able not only to escape the initial Soviet salvo but also to retaliate by then destroying the enemy silos.

The experts first tried to protect the MX missiles from surprise attack by relying on mobility. Vast structures covering tens of thousands of hectares were to make it possible to keep the missiles moving permanently. By moving constantly from one hiding place to another, they would frustrate calculations by the staff of the Russian Strategic Forces, but Soviet satellites would still be able to locate them intermittently so as to keep track of their number (according to the SALT agreements, the strategic weapons of the two powers were to be verifiable by "national technical means"--that is, satellites).

The scope of the project--beginning with its cost--and the expanse of land that would have to be "militarized" triggered protests, and the protests did not cease.

Experts demonstrated that the expense was out of all proportion to the military value of the project, the inhabitants affected by the land expropriations protested with support from the ecologists, whose audience increased as a result of the debate, and, on being alerted, the congressmen whose states were to be crossed by the vast transportation routes joined in. Lastly, the churches joined the campaign. The opposition won out over military arguments, and mobility was abandoned. The experts went back to work on the problem. Abandoning the idea of dispersion, they next proposed its opposite: extreme concentration. The MX missiles would be deployed on a narrow strip of land with their silos so close to one another (600 meters) that there would be interference between the trajectories of attacking missiles. Moreover, the explosion of the first warhead would "disrupt" the operation of the following missiles, and the MX's would therefore escape destruction. This was the "Dense Pack" scheme, and hardly had it been made public before some experts were condemning it: if the Soviets used large warheads and if they "organized" their launches to within a fraction of a second, they would frustrate the "fratricidal" effects on which the concentration idea was based.

What to do? The U.S. Air Force suggested that the MX missiles be placed in the Minuteman silos for the time being, since those silos were hardened. That was the least expensive solution. But it was hardly compatible with the accuracy now being ascribed to Soviet missiles.

The MX affair, the so-often postponed order for the new strategic bomber, the continuation of submarines armed with Trident missiles, and the mass production of thousands of cruise missiles--in short, the vast amount of work involved in making up for years of neglect--mobilized a sizable portion of the population

against the President's plans. Some were demanding an immediate freeze on U.S. armament. They were disturbed neither by the lead taken by the Soviet Union nor by the new war materiel it was accumulating.¹¹ Others inclined in favor of unilateral disarmament. Impressed by the military power of the USSR and going back on convictions they had long held, highly placed political figures demanded that the United States renounce the first use of weapons of mass destruction, condemning at least West Europe, if not their own country, to being ruled by the Soviet Union. As for the churches, they turned their attention to learning about the strategy of the atom and decided what the United States ought to do.

The Dove and the Holy Water Sprinkler

Abandoning their croziers for the slide rule and canon law for ballistics, U.S. Catholic bishops also burst into the debate over strategy. After consulting high political, scientific, and military authorities, obtaining the Vatican's consent, and composing several compromise texts, the high American clergy published a 300-page document which, in substance, set forth what U.S.--and world--security policy ought to be.¹²

Their pastoral letter indeed acknowledges that a government threatened with unjust armed aggression (is there such a thing as just aggression--that in Afghanistan, for example?) has the right to defend its people, but it nevertheless says: "However, a barrier must be erected against the concept of nuclear war as a viable defense strategy." The bishops do not ask themselves how the weak--who after all are supposed to be their first priority--might defend themselves except by threatening to use the atom. Contradictions do not bother the bishops much: under no circumstances do they allow the possibility of reprisal against an attacker's cities, but they condemn just as energetically an increase in the number of accurate, low-powered nuclear weapons that would allow the "defender" to attack the aggressor's forces while sparing his population centers. They cannot imagine any situation that would justify the first use of nuclear weapons, even on "a limited scale." American bishops are probably incapable of imagining what it would mean for Europe if the 90 Soviet front-line divisions were to advance on the West. Finally, after lengthy internal debate, they expressed support--just barely and while veiling their faces--for the concept of deterrence, but only on condition that it exclude use of the weapons on which it is based. They obviously do not realize that if there is no threat of its being used, there is no deterrence.

It is true that American Catholic clergy live in a land protected by three oceans and that they have never experienced invasion: their country has not been invaded since 1812, and such aggression remains difficult to imagine. From such a comfortable position, the American bishops can moralize at leisure on the subject of war, since it is somebody else's war they are talking about.

Protests by political opponents, obstruction by some experts, and the states of mind, argued at length, of former cabinet members, ambassadors taking it easy, economists-turned-strategists, and novelists and moviemakers suddenly smitten with an interest in public affairs (all of them inclined toward strategic renunciation now that it was popular), and then, lastly, the bishops moralizing about the atom and anathematizing Reagan and his rearmament plans--all of that was a

lot, and it was too much for the new president, who in addition had just taken stock of what Jimmy Carter had bequeathed to him. Only the revelation of a new strategy--a nonnuclear one--could put an end to the cacophony. Mastery of the most advanced technologies--and the United States has that mastery--justified a bold look ahead toward surrounding the United States with an impenetrable barrier of almost infinite height which would make the world's nuclear ballistic arsenal useless at one fell swoop.

If it had been necessary, the President's argument would apparently have had no flaws:

1. The USSR is now ahead of the United States in the arms race, whether the arms in question are conventional or nuclear, ballistic or self-propelled, and whether based on land, on the sea, under the sea, in the air, or in space.
2. Should the United States give up and accept second place? Such a suggestion is not acceptable. Although the American people balk at paying the price for catching up and, even more, the cost of superiority, they are not willing to accept such a drop in their position among the world's powers.
3. The United States can refuse to give in by spending billions of dollars to try to regain lost ground by stepping up its efforts along the same lines as before to win the same race as before. That suggestion is no more acceptable than the previous one. Morality is opposed to it, and appropriations are lacking.
4. It remains to establish U.S. superiority on an entirely different basis by building a defense system which, because of its technical difficulties, will mobilize a people enamored of scientific adventure, quiet people's consciences--since the atom is not involved--and condemn the antagonistic power's huge nuclear apparatus to obsolescence.

The project for space-based defense is very vague technically, but it rests on a system of satellites which will be equipped to generate beams of coherent light that will destroy an attacker's ballistic missiles soon after they leave their silos. A second interception will meet the missiles that escape the first response, using a laser beam to strike them while they are in mid-course. A third level of defense has also been planned to stop warheads that manage to escape that double filter. This huge defense system might take shape by the end of the century or shortly thereafter, provided that efforts by a sizable portion of the American scientific community--and tens of billions of dollars--are devoted to it beginning now.

But many people are already expressing their skepticism, and even more people--notably in the Pentagon--would prefer to stick to the tools of a nuclear deterrent strategy that by now has become conventional.

If technology progresses at the hoped-for rate, and if the experts agree someday on the system's future effectiveness, it goes without saying that the Soviets will not remain inactive.

Let us imagine that in the future, President Reagan's plan lives up to his expectations. Then--as is true today thanks to the atom--the United States will still be immunized against attacks by all long-range missiles, including submarine-launched ballistic missiles. But this time, nuclear weapons will not be involved at all. The laser will have created a fortress "America" that will probably comprise both Americas.

The Soviet Union would then be in a very difficult position. It would have to scrap the thousands of missiles to which it has entrusted national deterrence. And what is more, it would be vulnerable, with no sure response to the missiles retained by the United States. As a corollary to the above, there is another possibility: that the USSR would put forth a similar effort and also establish--for all of Eurasia--a fortress "Sovietica." Nonwar between the two big antagonists would still be imperative, but this time because of the inability to strike and because even the means of doing so would no longer exist. The only thing is that in Eurasia, on the frontiers of the empire, there would no longer be anything to prevent powerful Russia from marching forward as long as its air and ground forces advanced on land or close to the ground. As a result, it would reach the western shores of Eurasia, and the union of the continent--or at least a very vast portion of the continent--would be achieved.

If someday the Americans--followed intellectually by the Soviets--were to place in orbit about 40 satellites carrying laser generators¹³ capable of projecting some 1,000 joules per square centimeter over a distance of several thousand kilometers, the launching of a salvo of ballistic missiles could become an uncertain operation. Most of those missiles would disintegrate before they could place their warheads on course. On the other hand, the destructive beams would lose their effectiveness if they were directed at moving objects close to the surface of the Earth--for example, long-distance bombers designed to fly at low altitudes, fighter-bombers and, naturally, cruise missiles, which already have the advantage of flying at a very low altitude.

"We could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies," said President Reagan on 23 March 1983. But probably "not before the end of the century." And provided that "the scientific community which gave us nuclear weapons turns its talents to rendering those weapons (strategic rockets) impotent and obsolete." It would mark the establishment of a new form of deterrence, with the defensive laser being substituted for the avenging atom.

Let us take a gamble and agree that such a system will meet the expectations of President Reagan and his scientific advisers. Setting it up will probably require that the United States renounce compliance with the terms of the treaty on antimissile defense that was signed in 1972. Article V-1 of that treaty stipulates that the contracting parties "undertake not to develop, test, or deploy antimissile systems or their components which are sea-based, air-based, space-based, or mobile land-based." It is clear that the spirit of the treaty, which is aimed at eliminating any obstacle to implementation of the doctrine of "mutual assured destruction," would be violated. But the text that was signed in Moscow on 26 May 1972 is ambiguous, since it concedes that "new physical principles" might justify its renegotiation.

"Monroe Doctrine" in Space?

If it were 90-percent effective, for example, the space defense system being contemplated by the United States would certainly be a deterrent. How could a general attack by the enemy's strategic forces be planned if only 10 percent of the offensive missiles could get through the triple defense barrier? But the enemy could run the risk of relying on temporary malfunctions in the barrier or even destroying a very vulnerable system and then attacking. Since one of those two possibilities cannot be ruled out, it is probable that offensive weapons will be retained. And they will have to be all the more numerous in that they will have to saturate the enemy shield or bypass it by aiming at the lower layers of the atmosphere, where it would at least be "porous." It is therefore probable that President Reagan's project will supplement, but not replace, the conventional system of deterrence adopted by all the nuclear powers. The United States will keep its sword in its sheath--a new sword, no doubt--and add to it a space shield that will remain problematical for a long time to come. If these hypotheses check out, new military competition will begin: partly in space and partly on the ground and immediately above it.

As a result of this entirely new strategic situation, the states whose territories cover the fringes of the continents--and especially the West European countries--will be in a particularly exposed position. If those states still want to have the means for their security in their hands, they will once again have to modify their ideas and design and build new weapons to evade the defense systems mentioned above. If they are to act as a deterrent, the weapons in question will have to be numerous, accurate, nuclear, and conventional, and especially in the case of projectiles, they will have to follow short and tight trajectories. They will have the task of interdicting concentrations of ground forces, "filtering" massed formations, and breaking them up until their firepower is partially neutralized.

It will probably be more or less up to each of the peoples on the littoral to provide for their own defense. First of all, because it is highly improbable that the threat, if it manifests itself, will be an overall threat aimed right from the start at the entire European isthmus. The threat will probably be specific and directed at only one nation, or even a portion of one nation, at a time. Secondly, because the long-range projectiles now being deployed are so accurate that their effects will be limited not only to the territory in question but also to the conventional armed forces defending that territory. The stature of the possible adversary and the nature of the weapons he would use to win would place his victim in the position of being terribly alone. But there is nothing to prevent allied peoples from organizing and building together the means of security, even though they would have to defend that security alone if the situation arose.

As for Reagan's United States, it is on its way toward a new "takeoff." The billions of dollars invested in the space defense projects will stimulate and sustain all the most advanced technologies. The United States will skim off the world's gray matter (while Europe imports "manual labor" and exports its rare Nobel prizewinners), and the efforts of so much talent directed toward the great scientific adventure will increase even further the gap that separates

the New World from the Old. That is probably the justification for the strategic turning point decided on by the President of the United States.

FOOTNOTES

1. "Let me share with you a vision of the future which offers us some hope. It is that we embark on an (armament) program capable of countering the terrible threat represented by Soviet ballistic missiles with measures that are defensive.... What if free people could live in peace with the knowledge that their security did not rest upon the threat of an immediate response to deter a Soviet attack; if we could intercept and destroy ballistic missiles before they reached our own soil and that of our allies?.... Isn't it better to save human lives than to avenge them?"

"This evening we are committing ourselves to an effort aimed at changing the course of human history. There will be risk, and it will take time to achieve results. But with your help, I believe that the objective will be achieved."
2. Soviet nuclear weapons were priority targets (200 airfields capable of handling bombers, 120 silos sheltering ballistic missiles, and 150 anti-aircraft defense zones). There were also over 300 other military targets, including the political and military command centers, weapons depots, and naval bases, plus some 130 population centers scattered throughout the territory of the Soviet Union and (at the time) China.
3. Over the past 20 years, the accuracy of ballistic missiles has been improved by a factor of 10 or even more, while the destructive energy carried by those same missiles has been reduced by at least two-thirds in the United States. Concerning the accuracy of cruise missiles, it is known that under certain circumstances, they could be accurate to within 50 meters at a distance of over 2,000 kilometers.
4. On 17 January 1974, President Nixon signed a "presidential decision relative to national security" (No 242) giving official approval to the ideas advanced a few months earlier by Secretary of Defense James Schlesinger: "These decisions do not constitute a renunciation of U.S. nuclear strategy. Rather, they are a further development of the existing policy.... They reflect both political and military reality and my concern to see the adoption of a more flexible attitude in the conduct of nuclear affairs." New plans were to be prepared covering "selective nuclear operations," including in particular the means necessary for rebuilding Soviet society at the conclusion of hostilities.
5. The most recent U.S. missile is the Minuteman III. It was deployed in 1969. The dismantling of the Titan II's--the oldest of the long-range ballistic missiles still in service--was announced on 23 March 1983 by President Reagan. But the replacement programs (including the MX, for example) are the subject of sharp controversy, with the result that the fate of the Titan II's has still not been decided.

6. In the USSR's military budget, expenditures relative to personnel (pay, operations, housing, and so on) are proportionately less than in the United States and, more generally, the Western countries. One example: the Soviet soldier is paid the equivalent of \$8 per month. No citizen of a Western country can be kept in a barracks for 1 or 2 years for less than 100 francs per month. This figure alone shows how difficult--and expensive--it would be for the West European countries to try to match Soviet strength with conventional forces alone. The two antagonistic societies are too different to allow a balance between them at the level of conventional weapons.
7. See Pierre M. Gallois, "Defeat Without Combat," POLITIQUE INTERNATIONALE, No 2, Winter 1978-1979, and "Lessons in Assymetry in a (Nuclear) Artillery Park," POLITIQUE INTERNATIONALE, No 7, Spring 1980.
8. Walter Pincus, "Changes in U.S. Nuclear Stockpile Are Used To Justify Reagan Positions," INTERNATIONAL HERALD TRIBUNE, 27 December 1983.
9. A study prepared by Dutch experts shows that if the Soviets had used the some 600 SS-4's and SS-5's they had pointed at West Europe, they would have gotten back vast radioactive fallout affecting almost all of European Russia.
10. The accuracy of ballistic missiles has stimulated new research with a view to limiting its effects. In the United States, it is now considered possible to reinforce the protection of U.S. missiles in silos to the point that high-powered explosions occurring near a silo and producing excess pressure of 3,500 kg per square centimeter would not be enough to prevent the missile from being launched. Even if the "lip" of the crater consisted of piles of rock or earth 6 or 7 meters high, it would still be possible, using certain techniques, to launch through the pile of debris. Lastly, even if the silo containing the missile tipped over due to the explosion and tilted at an angle of 40 degrees, the launch would still take place.
11. Two new long-range missiles are also being tested in the Soviet Union. One has been designated SS X-24 and the other SS X-25. The first is quite similar to the American MX, while the other is smaller and would probably be deployed on mobile launchers like those used for the SS-20, a Soviet missile that is Eurasian rather than transpolar like the SS-11's, SS-13's, SS-17's, SS-18's, and SS-19's, which are aimed at U.S. territory. In addition, a new cruise missile--the SS SN-21--is said to be in the experimental stage.
12. Since then, the General Assembly of the World Council of Churches, meeting in Vancouver in December 1983, adopted an even more radical position. It says the deployment of nuclear weapons is a crime against humanity, and it rejects the concept of deterrence as being morally unacceptable. It all seems as though the churches have now taken sides with the peoples who are strongest numerically and against those who, being fewer in number, protect themselves from war with weapons that neutralize the weight of the masses. It is true that those masses provide a lot of souls to be evangelized.

13. The chemical laser (to begin with), which, since it operates in the vacuum of space, is relatively easier to design and build. It is true that a large mirror (about 12 meters in diameter), perfectly polished and unbroken, would be necessary either to concentrate the beam of coherent light over a very long distance and project from a distance the energy essential for melting the walls of the ballistic missile to be destroyed or to explode the fuel-oxidant mixture propelling the missile.

11798

CSO: 3519/361

COMMENTATOR SEES CRUISE MISSILE DECISION AS POSITIVE

Rotterdam NRC HANDELSBLAD in Dutch 4 Jun 84 p 3

[Article by J.M. Bik: "Only a Miracle Can Prevent Stationing of Missiles"]

[Text] Shortly after the applause had sounded for Prime Minister Lubbers in the Council of Ministers on Friday of last week, a series of press conferences began in order to elucidate the cabinet decision about the stationing of cruise missiles. In succession, the CDA [Christian Democratic Appeal] ministers Lubber, Van den Broek (Foreign Affairs) and De Ruiter (Defense), the delegation leaders [in the Dutch House of Representatives] Nijpels (VVD) [People's Party for Freedom and Democracy], Den Uyl (PvdA) [Labor Party], and Engwirda (D'66) [Democrats '66] met with the media in order to give their opinions.

These press conferences (and their reflection in Saturday's morning papers) were significant most of all to De Vries, leader of divided delegation which already on Saturday afternoon was to gather in a meeting. With the gravity which is proper to the issue, the press conference speakers, without having heard one another, reacted to the journalistic rendition of what earlier would have been said by fellow politicians.

Two things were striking on Friday afternoon. A difference in interpretation was possible about what the Netherlands is going to decide on 1 November 1985, if the Soviet Union at that time has not stationed more SS-20s in comparison to 1 June 1984, and if there is no weapons control agreement with the United States yet, either. Prime Minister Lubbers and De Vries said: Then the Netherlands is not going to station [the missiles]. De Vries applied a contrary line of reasoning to the cabinet decision (the Netherlands will station 48 cruise missiles if, on 1 November of next year, there are more than the present 378 SS-20s--with 1134 nuclear warheads): the Netherlands will not station if there are no more than 1134 SS-20 warheads, emphatically confirming with this last number that what concerns him is both the systems stationed in the Asiatic and in the European parts of the Soviet Union.

Nijpels, speaking after Lubbers and before De Vries, saw that differently. He maintained that in that last, theoretical, case the Dutch cabinet will have to deliberate internally, and with the NATO partners, about what is to happen then, and in view of the text of the cabinet decision, that did not appear to be illogical.

The issue is very theoretical, because it has already been made clear on the part of both the Americans, and the Russians (Minister of Defense Ustinov, last month) that the Soviet Union will unabatedly continue stationing SS-20s, also to the West of the Ural, and has certainly started doing so since the stationing, last fall, of the new nuclear arms of NATO. It is the more theoretical, because both the members of the cabinet and the delegation leaders of CDA and VVD knew the text of the unpublished covering letter to the Council of Ministers, which accompanied the cabinet decision, and in which it is communicated that a substantial expansion of the SS-20 arsenal is still to be expected.

Anyway, the difference in interpretation--the CDA does not agree with the VVD about the exposition of this point--was important, theoretical issue or no, to Saturday afternoon's meeting of the CDA delegation. For if CDA and VVD on Friday would have embraced one another sobbing for unanimity about the cabinet decision, many a doubter in the CDA delegation would have had an even harder time of it, Saturday afternoon. The second thing that was striking was that both the bulk of the journalists and the politicians focused almost exclusively on this difference in interpretation. Apparently, the cabinet decision, whatever one might think of it, was clear enough otherwise.

Well, that rather ridiculous condition, that the Netherlands next year (in 1985) will decide to station 48 cruise missiles if Moscow has stationed only "one single missile" more, will presently have been easily fulfilled. And if the Soviet Union around that time will indeed have chosen to limit its number of SS-20s substantially enough, then this will of course have happened within the framework of a large political operation, that is, one that is aimed at a weapons control agreement with mutually decreased numbers with the West. And since the Netherlands has declared that it will participate proportionately (so, with 32 or 16 cruise missiles) in such an agreement, it is clear that opposition leader Den Uyl (PvdA) was very right, going by the text of the cabinet decision, when he said on Friday that presently only "a miracle" will be able to prevent a positive Dutch decision to station [the missiles].

Den Uyl, by the way, Friday will have realized that he, personally, and the PvdA in general may be considered the biggest losers. In fact, Den Uyl's departure as leader of the PvdA can possibly have been sealed by last week's cabinet decision. And that not only because the actual decision of the Lubbers cabinet now will not come until another year and a half, but also for other reasons.

For since Friday afternoon it is a definite fact that from now on, it will be only determined in Moscow whether the Netherlands can escape a positive decision to station [the missiles]. Unless the House of Representatives soon sends the Lubbers cabinet away, but nobody actually still believes that after Friday. If that Dutch decision to station should be made next fall, a treaty with the United States about the fitting up of the Woensdrecht base should be made as well. The cabinet would like to submit the text of the treaty to the parliament for approval in the spring of 1986--some months before the elections of May 1986. Three important CDA ministers, among whom the prime minister and probable election leader, have committed themselves by signature to this course of events.

Assuming that a cabinet crisis about another part of the government policy will not break out before that time, that possibility is not quite to be excluded, that text of the treaty will (have to) be such that the PvdA after May 1986 will be excluded from the formation of the cabinet, if it does not very drastically change its antagonistic attitude towards the cruise missiles, which has the value of an article of faith. Because, it is almost out of the question that the American Congress, or the allies via the so-called NATO infrastructure fund, will want to appropriate large sums of money for cruise missiles for the Netherlands and for the construction of the Woensdrecht base, if it is possible that a new Dutch cabinet (with PvdA ministers in it) could terminate such a treaty shortly afterwards.

In other words, Den Uyl may (like even yesterday on AVRO [General Broadcasting Organization] radio very well demand that it should be possible to quickly terminate the American-Dutch treaty, but Washington and other NATO partners will not be willing to comply with such a demand. A term of 10 to 20 years, with a term of notice of 4 years (including an obligation to pay back expenses incurred!) is rather to be expected. With such a term of notice, by the way, elections are always guaranteed to take place before the treaty becomes inoperative, so for the Dutch voters that is not a bad thing. Just like the Soviet Union will in fact presently decide about the question whether the Netherlands at the end of 1985 will decide to station, the United States, by determining the text of the treaty, will decide about the PvdA's chances to govern in 1986.

Looking at it that way, that man Nijpels does have grounds for the political joy which he (somewhat too exuberantly) showed at the end of last week. In the cruise missile issue, he not only underlined for the time being his position as leader of the VVD, but also acquired something like a certainty of a continuation of the coalition with the CDA in one and a half to two years time. Unless of course the CDA finds another point for crisis before then, for instance in the number of other Dutch nuclear arms tasks, about which there will have to be decided in connection with the stationing of the cruise missile at the end of 1986. The CDA will then find out that its minister De Ruiter has committed himself in that matter "to a rather large extent", last fall in the NATO.

But in the case of a "substitute crisis", there still will be three CDA signatures underneath the cabinet decision of last week, a consequence, by the way, of the most recent cabinet formation. And those signatures then will guarantee an opportunity-filled VVD election campaign. Nijpels just spent a couple of profitable weeks, in the Hague and on [the island of] Texel.

12568
CSO: 3614/93

LABORITES, YOUNG SOCIALISTS SUPPORT ANTI-NATO PROTEST

Madrid ABC in Spanish 1 Jun 84 p 21

[Article: "The PSOE Still Refuses To Support Call to a Meeting"]

[Text] The UGT [General Union of Workers] has joined the campaign favoring Spain's leaving NATO and to next Sunday's pacifist demonstration in Madrid. Other sectors of the PSOE, like the Left socialist current and Young Socialists, maintain an identical position.

Nonetheless, the party in power has not wished to join the call to a meeting by the pacifist coordinator, in spite of the demands by this organization which depends on the support of the parties of the leftist political spectrum--basically the PCE [Spanish Communist Party] and Workers Committees--together with other extraparliamentary committees and organizations advocating peace and disarmament.

The pacifists' petition for "Referendum, clear and now, to get Spain out of NATO"--as one of their slogans says--may be the reason for this lack of support from the PSOE, which thus endorses the government's ambiguity on the NATO issue, about which it has not wished to go on record, except to say that "there will be a referendum."

Neither the mayor of Madrid, Enrique Tierno, nor the chairman of the autonomous community, Joaquin Leguina, had decided as of yesterday whether they will attend the demonstration next Sunday. This is why the mayor stated, "I still don't know whether I'm going to go, because I have a very tight schedule. "Anyway, he added, "everybody knows my pacifist calling, even though I disagree with some things that are in the demonstration."

For his part, Joaquin Leguina said "I don't know whether I am going to go to the demonstration. I believe that the United Nations call for peace is serious and important, and more so in Europe, where the situation has deteriorated." Nonetheless, several of the councilors of the Madrid autonomous community will attend on its behalf.

The secretary general of the UGT, Nicolas Redondo, will not attend after all, but the general assembly of the UGT Joint Administrative Committee will.

Among those who will participate in the demonstration are the PSOE delegates Pablo Castellanos, Carlos Lopez Riano, Jose Luis Sanchez Saez and Nestor Padron. The senators from Madrid, Socrates Gomez and Francisca Sauquillo, and the former rector of the University of Alcala de Henares, Francisco Bustelo, will also attend.

By this position, the top socialist leaders appear to be pursuing a tactic of "distributing roles" among those advocating leaving the North Atlantic Treaty Organization and those who because of the government's pragmatic needs--aside from the theoretical pacifism that the socialists share, according to the decision made at their most recent convention--continue to hold doubts about separating from the Western defense organizations.

The prime minister himself, Felipe Gonzalez, now appears to occupy a position squarely in the middle of the opinion spectrum shared by his political colleagues. Thus, while he makes assurances that a popular consultation will be made and asserts before his European colleagues Spanish support for Western defense, he personally supports the pacifist allegations of several countries criticizing the wasteful spending on armaments when poverty persists in the world and reports the danger of complete destruction in his position on NATO, although he has made assurances that "a statement will be made" before the referendum, several socialist leaders have been expressing their opinions on the issue on a personal level. Some opinions, moreover, in spite of their obvious difference, have not been answered by the leadership organs of the PSOE. The government decision, supported by the party which the next Congress will probably turn into the subject of debate, has turned into a field fertilized by the pressure of the radical socialist sectors, as well as a way of stealing political thunder from the communist opposition, which sees in NATO--as a communist leader commented to ABC--one of the government's weak points.

12448

CSO: 3548/265

POLITICAL, ECONOMIC RELATIONS WITH PRC

Brussels LE SOIR in French 2-3 Jun 84 p 3

[Article by Claude de Groulart]

[Text] "Belgium will be the pioneer country in our relations with Europe." So spoke Zhao Ziyang. The Chinese premier made that profession of faith to Marc Eyskens, one of the very, very many of Their Excellencies of all kinds (those at the national level being quickly joined by others from the community and regional levels) to have visited the former Middle Empire, which has gradually, smoothly, and quietly become the center of gravity in our efforts to penetrate Asia economically, if not politically.

His statement may surprise the uninitiated. But the figures are eloquent enough to wring the neck of the slightest doubt. From a value of 2 billion Belgian francs in 1980, Belgian-Chinese trade rose to a value of over 11 billion Belgian francs in 1983. In the opinion of both parties, that spectacular increase in trade is merely the quantifiable aspect of mutual good feelings that are not measured solely by the monetary yardstick. The most recent proof of this can be seen in the exceptionally harmonious and "well-oiled" preparations for the Chinese premier's visit, which is officially in response to the visit to China by Leo Tindemans in 1975.

The visit to Peking by Tindemans, who was prime minister at the time, took place less than 4 years after the establishment of diplomatic relations with the "real" China, and it put a permanent end to the whiff of scandal that had appeared when a great lady named Elisabeth, queen (grandmother) by occupation, did her country one final service by going to China of her own accord and flanked by a retinue consisting only of her lady's companion. Belgium itself made a first investment through that visit, and official Belgium was to reap the rewards later when, in the wake of American Ping-Pong players and Henry Kissinger, it decided at last that in the case of China, it would pass from fiction to reality.

It is true that Brussels has made up for lost time since then, and we are hardly adding anything to the unofficial remarks by those on rue des Quatre-Bras who handle the "China file" when we say that what was originally a marriage of convenience has turned into a real idyll. The reason is that once there, we quickly discovered, through the eyes of three wise and efficient ambassadors

in succession, that Belgium had the right "profile" for captivating China. We were a small and not too conspicuous country and a NATO member situated halfway between heresy and excessive zeal, and in addition, we had left in China a memory which, with the passage of time, was to our advantage when compared to that of the big powers of yesteryear which had been too quick in carving out concessions from the flesh of a weakened empire.

For that profile to be transformed into the image of Chimene in the eyes of a Chinese Rodrigue, all it took was a few skillful gestures at the right time. Those gestures were made. So it was that our diplomacy helped open up China by organizing regular dialogue between that country's minister of foreign affairs and those of the three countries that had exercised, did exercise, and were to exercise chairmanship of the EEC's community councils. And although Belgium "played the game" in its exports of high technology to China (meaning that it submitted the matter to its Western allies), it nevertheless succeeded, through the use of gentle stubbornness (chiefly in dealing with the United States, which was disturbed by the implications of the contract landed by Bell Telephone), in relaxing certain restrictions in that particularly sensitive area. And in 1979, Belgium's offer of a government loan to China--the first of its kind linking China with the West--was accepted.

Since then, the demonstrations of mutual good feelings in the form of visits, missions, and agreements of all kinds have been so numerous that listing them all would soon become wearisome. After first singling out, as is proper, the official visit by the king and queen in May 1981, we must limit ourselves to listing a jumble of ministerial visits ranging from that by Claes, then vice prime minister and minister of economic affairs (November 1979), to those by Tindemans, De Croo, and Eyskens last year and that by Gol last April. The chiefs of staff of the armed forces, the air force, and the army and the chairmen of both houses of Parliament also swelled the ranks of the pilgrims.

The list of those coming in the opposite direction is just as long. From 1978 until now, no fewer than three vice premiers and five ministers from China have paid us the honor of a visit, accompanied by a bevy of high-ranking military men and the vice chairman of the People's Assembly (Parliament).

Concerning the agreements that have been signed as a result of all those ministerial outpourings, it can be said that several refills for the pens used have been required. There are no fewer than six basic agreements, to which are added innumerable protocols, memorandums, and so on, not to mention contracts, the largest of which is still the one covering the joint production of telephone exchanges. In this respect, those worried by the related consumption of jet fuel and ink must realize that even before the telephone contract has its effect, Belgium already occupies fourth place among EEC countries as far as trade with China is concerned. The results for 1984 should strengthen that position, since over the past 2 years, we have welcomed no fewer than about 100 Chinese trade missions as well as about 30 cultural missions--culture being another area in which the two parties are well satisfied with each other thanks to smooth implementation of the agreement of 1980 (the last to be signed by the Belgian Government before those matters were taken over by the Community).

One final word to make things clear: in its overall conception of detente and opening-up, China has chosen Europe as its preferred and prime target, and at the center of that target it has placed Belgium. In China's view, trade is the specific expression of that choice, and the trade in question concerns production goods. This enables Belgium to send to the front line industries which ordinarily find it a little difficult to export, examples being the ACEC [Charleroi Electrical Engineering Shops] and even Cockerill. That says it all.

11798

CSO: 3619/68

JORGENSEN PRAISE OF NORTH KOREAN GOVERNMENT CRITICIZED

Liberals, Conservatives Received Invitations

Copenhagen BERLINGSKE TIDENDE, in Danish 18 May 84 p 1

[Article by Michael Ehrenreich: "No Thank You to North Korea"]

[Text] Both the Liberal Party and the Conservative Party have received invitations to visit North Korea. The Liberal Party says no thank you while the Conservative Party is thinking it over after the commotion over Anker Jorgensen's visit.

Bjorn Elmquist of the Conservative Party wants to cancel a planned visit to North Korea in August-September on the basis of the uneasiness after former Prime Minister's Anker Jorgensen's trip and praise of the country's absolute monarch, Kim Il sung.

"I definitely do not agree with a series of Anker Jorgensen's formulations about the situation in North Korea, but at the same time the story shows that the North Koreans have distorted statements from Anker Jorgensen's visit with propaganda purposes in mind. I do not want to subject myself nor the Liberal Party to that risk," says Bjorn Elmquist who was supposed to represent the Liberal Party after the invitation from the Embassy of North Korea.

"In the official report on Anker Jorgensen's speech, the North Koreans have only quoted the passages that were advantageous to the country. Jorgensen's emphases on democratic society in comparison with dictatorship is, for example, completely excluded," says Bjorn Elmquist.

The Conservative Party has also received an invitation to visit and Member of Parliament Connie Hedegaard has been chosen to represent the party during a visit to North Korea later in the year.

"We must now consider whether the risk of being used for propaganda purposes is greater than the possibilities of obtaining impressions from a very isolated country that can be used in the debate," says Connie Hedegaard who will bring up the matter of the visit at a group meeting next week.

Conservative Daily Questions Cordiality

Copenhagen BERLINGSKE TIDENDE in Danish 18 May 84 p 10

[Editorial: "The Dear Friends"]

[Text] Former Prime Minister Anker Jorgensen is a person with a friendly and kind disposition. He is also candid and has always said that one should speak one's mind. It can therefore not bypass anyone that during his visit to North Korea, Anker Jorgensen has said what he has said. And neither should that give rise to the kinds of sharp reactions that have been formulated after the appearance of the reports. The whole thing is just one more confirmation that the chairman of the Social Democratic Party is as he is perceived.

When Anker Jorgensen calls the/great leader/Kim Il sung/dear friend/, he is being friendly to a man who as a dictator rules a communist regime that is worse than most. When he speaks about/your fortunate people/, he is also being friendly. And he is being candid when he stresses that/everybody has a job, everybody likes his job and looks happy in this wonderful country/. Because this is obviously how Anker Jorgensen experienced it when he was shown around as a prominent guest in a country where the smiling happiness can be produced by order and where everybody must follow orders at the slightest sign from above. Moreover, when the host also praises the Danish Social Democrats for their courageous fight for peace efforts, Anker Jorgensen, of course, had to feel a part of the happiness that is bubbling over in this communist country. Therefore he was not ashamed on Denmark's Liberation Day to compare the Danish fight for freedom with the fight the communists have conducted for the independence of their country. At that moment he was hardly thinking that the United Nations, with Danish support, have with great losses waged a bloody war in order to prevent all Korea from becoming a communist dictatorship. He was indeed among dear friends.

Now, there is a great commotion and Anker Jorgensen's opponents have become busy. Some have found it appropriate to ask the foreign minister for a statement about the affair in North Korea although considering the fact it can doubtless be seen as unnecessary by anyone who keeps abreast of things even slightly. And Anker Jorgensen feels himself called upon to defend the statement he uttered so far away from his homeland. He refers to the law of protocol and says that this is the type of friendliness prime ministers present during official visits. But Anker Jorgensen is not a prime minister and is not in advance bound by the social conventions that apply between nations despite the differences that may separate them. He was in North Korea as a chairman of the Social Democratic Party and that is something quite different. He had the liberty to be himself. One might wonder why he in fact accepted the communist invitation. What was the objective of his trip?

The answer is, of course, that Anker Jorgensen was happy to get several new friends. Otherwise he would have stayed away or at least kept quiet.

BAHR BACKS CHERNENKO PROPOSAL ON SUPERPOWER CODE OF CONDUCT

Moscow ZA RUBEZHOM in Russian No 18, 27 Apr-3 May 84 pp 2-3

[Article by Econ Bahr, member of German Social-Democrat Party Presidium and chairman of FRG Bundestag Subcommittee on Disarmament and Weapons Control: "To Avert Nuclear War--The Will And Desire of the World's People"]

[Text] The appeal again ringing out from Moscow to remove the threat of nuclear war has found warm response, approval and support from a very wide circle of world society. In their addresses and speeches, Soviet leadership are providing a contrast to the reckless nuclear arms race and imperialism's dangerous exacerbation of the international situation a clear, specific and optimistic plan which expresses the will and desire of the Soviet peoples and all progressive mankind to defend peace, create an atmosphere of trust among states and stop the worrisome development of events. As the inspiring step in this direction, peoples of good will everywhere have accepted Comrade K. U. Chernenko's proposal for the nuclear powers to assume a specific code of conduct that has been rightfully called the code of peace. As eminent foreign political and social figures are supporting in their responses which we are publishing on the eve of 1 May, the Day of the Struggle for Peace and a Better Future, the new, large-scale CPSU and Soviet peace initiative the vital interests of all peoples and states and reflects with the perceptions of all nations concerning peace and international security.

CPSU Central Committee General Secretary K. U. Chernenko in his discussion with Bundestag SDPG [Social Democrat Party of Germany] G. I. Vogel in Moscow, called attention to the Soviet proposal concerning the agreement on a code of conduct in relationship between nuclear powers. Our reaction to this was positive. The discussion genuinely concerns the code of conduct which the nuclear powers must take on for themselves. K. U. Chernenko also touched upon this issue in the response to the address by leading statesmen of the

Socialist International and in a 9 April PRAVDA interview. All of this attests to the fact that the Soviet Union puts a lot of significance on the implementation of a code of conduct to govern relationships between states having nuclear weapons.

Powers which have amassed these tremendous weapons bear a huge responsibility for preserving peace. Therefore I was of the opinion that the Soviet-American understandings that were achieved in the 70's and which proclaimed that both sides would do everything possible to avoid military confrontation and would not allow nuclear war to erupt were historic agreements. Now the question arises as to whether the United States and the Soviet Union will be ready to confirm these understandings with concrete actions. (The USSR's readiness to conduct business with the United States in precisely this manner has stressed numerous times in declarations by the Soviet leadership and has been expressed in every set of specific proposals to immediately freeze all nuclear arsenals, limit and substantially reduce strategic arms, radically lower the level of nuclear counter weapons in Europe, avert the militarization of space, ban and destroy chemical weapons and accept practical measures for restoring an atmosphere of international trust--Editor) If this were to succeed, it would be a significant step forward. For the present situation is such that in the area of arms control almost all important understandings relating to various weapons systems are blocked. Although measures for strengthening trust are being discussed in Stockholm, they are not however, reviewing the problems of weapon reduction or even a weapons freeze. In a situation like this, it is all the more important for the nuclear powers to come to an agreement on what their inter-relations must be.

Naturally, CPSU Central Committee General Secretary K. U. Chernenko's proposals also set forth the necessity of rejecting the policy directed at achievement of military superiority. The SDPG also rejects such a policy. No one should use this policy to gain victory over the other side. Therefore it is necessary to talk about peaceful coexistence. And if the danger of nuclear war arises, it is necessary to consult and do everything possible to stop it from erupting. Therefore I consider K. U. Chernenko's proposals totally correct. The principle formulated by the Soviet leader of viewing averting nuclear war as the prime goal of foreign policy of governments has especially great significance. I want to repeat that it is now appropriate to ask this question: Why not resume the aforementioned Soviet-American understandings and possibly formulate them in a manner that would have a more compulsory nature?

It would appear that not all the measures set forth in this can be implemented so easily. For example, arguments may arise about what nuclear war propaganda is. However, if nuclear powers agree to consider the prevention of nuclear war as the prime goal of their foreign policy and accept the corresponding responsibility, the problem of eliminating nuclear war propaganda will almost be resolved. The commitment not to be the first to use nuclear weapons is incompatible with NATO's current strategy. Therefore it seems advisable to me to concentrate on concluding a non-use of force agreement among NATO and Warsaw Pact countries. Such an agreement would ban the use of both nuclear and conventional weapons.

The commitment not to ever use nuclear weapons against non-nuclear countries in whose territory there are no nuclear weapons also merits a positive appraisal. May I remind you that such a commitment applies to Latin American countries. Four nuclear powers, the U.S.A., England, France and the Soviet Union, have presented appropriate guarantees to the UN, although in a somewhat different form. In my opinion, each of them is acceptable and deserves approval, since the matter is non-use of nuclear weapons against states on whose territory nuclear weapons are not deployed. How other nuclear powers will respond to this Soviet proposals is of great interest.

K. U. Chernenko's response to the speeches of leading Socialist International statesmen, which he directed specifically to Chairman of the Socialist International and to SDPG Chairman W. Brandt, allows two important conclusions to be made. First, the Soviet leader demonstrating a highly serious approach towards the evaluation of the present international situation and is experiencing concern in this regard. Second, in essence, the Soviet Union has made proposals on the entire set of possible topics and expects that a constructive response to them will follow. One could also say that the USSR has expressed an original invitation to the West to present its own proposals.

This and all the other articles were written especially for ZA RUBEZHOM.

12511

CSO: 1807/205

CHRISTIAN PARTY ADOPTS 'GREEN' FOR ELECTIONS

Additional Nuclear Plants Opposed

Helsinki HELSINGIN SANOMAT in Finnish 2 Jun 84 p 7

/Article by Kari Huoviala/

/Text/ Nuclear energy emerged as the central topic at the Friday meeting of the Finnish Christian League held in Jyvaskyla. More time was spent on the first day of the party meeting on the issue of nuclear energy than on the issues of beer and abortion.

The party leadership has a negative stand in regard to nuclear energy. The election platform adopted for the fall's municipal elections clearly states that Finland does not need a fifth nuclear plant.

However, several representatives of the gathered party members took to the podium claiming that nuclear energy was God's gift when used correctly. The dialogue on energy policy and on "soft" and "hard" values reflected the concerns of the party leadership in view of the growth in support for the "Green."

The latest polls show there has been a strong rise in support for the "Greens" while the SKL /Finnish Christian League/ is predicted to receive barely the three percent support it had in the 1982 parliamentary elections which was a defeat for the party.

"SKL is a Green Party"

The SKL leadership is fearful that the "Greens" will monopolize the fostering of "soft" values. In his report, Olavi Ronkainen, party vice chairman and leader of the parliamentary group, pointed out that "the SKL must be, and it possesses all the potential to be, the nation's green party."

Ronkainen declared himself to be a supporter of the "soft road" and an opponent of nuclear energy and continuing economic growth. "I feel that we are already now late by the breadth of the green movement," Ronkainen said.

"Once again, we are faced with our time of search. Issues of development aid are related to this. Peace in the world is related to this. I see great

opportunities opening in front of our eyes. The time has come to rally around environmental policy and the energy issue at the expense of decreased emphasis on other issues," Ronkainen proclaimed.

"Does Soft Equal Bread and Herring"

Member of the meeting Armas Hakkinen took the podium to ask what "soft" actually meant. He felt that it was an "in" word that has become a fad among the Finnish people--a fad expression similar to "people omnipotent."

Hakkinen declared himself to be an opponent of "soft" if it meant a return to the standard of living of his childhood. At that time, the only things to eat were bread and herring. In his opinion nuclear energy is the energy of the future, the only clean and pollution-free alternative.

Jukka Jarvi gave a long speech filled with detailed technological information about different forms of energy and their effects.

According to Jarvi, abortion kills annually 10,000 people, tobacco kills 2,000, alcohol 2,000, traffic accidents almost 1,000 people in Finland. Nuclear power plants, on the other hand, have not directly killed a single individual anywhere in the world.

Jarvi pointed out that Satan tries to use innovations against man. Nuclear power, like many other inventions, was initially a weapon of war. According to him nuclear energy is, nevertheless, God's gift when used properly.

If one wants to protect the environment, nuclear energy has to be defended, Jarvi stated after a litany of examples of destruction caused by acid rain.

Workers Must Be Involved

Usage of natural gas was also touched upon. Christer Boije did not think natural gas was a good alternative as he does not trust gas supplies from the Soviet Union.

Yrjo Norppa suggested that the SKL establish a labor-movement member organization to facilitate the involvement of born-again workers in SKL activities.

Antero Juntunen supported Norppa's suggestion. He pointed out that the party has a temperance organization even though alcohol abuse is not a problem among the members.

Almgren Wants in the Government

In his political review SKL Chairman Esko Almgren criticized government policies as an opposition party leader should.

Almgren's speech was decidedly less colorful than the preceding reviews full of fire and brimstone given by other party leaders, predicting the advent of the anti-Christ and condemning the entire Finnish parliamentarism as rotten to the core.

Almgren did say, however, that if a government base like the current one is declared as the only possible one in our country, we have arrived at the funeral of living and acting parliamentarism.

"Every party has a right and a responsibility to participate in the government. We have to be able to put together in the government the best forces of the country to take care of our shared interests," Almgren said.

Almgren indirectly expressed the desire of his party to be included in the government. Without mentioning any names he criticized the Finnish Rural Party whose rise into the ranks of government parties is a bitter pill for the SKL leadership.

According to Almgren "certain current government parties" made such concrete promises prior to parliamentary elections that it is quite appropriate to have them share governmental responsibility. According to the SKL chairman 1 year in the government has proved that they have not been able to keep their promises.

Leadership choices will be made at the party meeting this Saturday. Almgren as well as the entire current party leadership will most probably be re-elected.

Almgren Re-elected Chairman

Helsinki HELSINGIN SANOMAT in Finnish 3 Jun 84 p 3

/Text/ The Finnish Christian League on Saturday elected its leadership in a minute and a half. No vote was necessary, nor did anyone ask for the floor.

Representative Esko Almgren, 51, a teacher from Kotka, will continue as SKL chairman. His position now firmly established, Almgren rose to party leadership 2 years ago in Oulu.

The party meeting held in Jyvaskyla leaned onto old names in the choice for vice chairmen as well. Representative Olavi Ronkainen, 50, a pastor from Savonlinna, will continue as second chairman, and youth representative Antti Jarva, 28, MD from Imatra, will continue as third chairman.

Also, in preparation for the fall's municipal elections, the SKL approved of a number of statements demanding, among other things, a law concerning child home care support, implementation of the social security reform according to its original timetable, and bringing acid rain under control. True to tradition, the party also touched upon the media and its use of sexually offensive material.

8200

CSO: 3617/172

MITTERRAND'S VIEWS OF USSR, COMMUNISM SWAY FOREIGN POLICY

Paris POLITIQUE INTERNATIONALE in French Apr 84 pp 59-63

[Interview with Alain Besancon by Jean-Paul Chatelier, a POLITIQUE INTERNATIONALE contributor. Alain Besancon is director of studies at the School of Higher Studies and Social Sciences and author, among other works, of "Education and Society in Russia," Mouton, 1974; "The Intellectual Origins of Leninism," Calmann-Levy, 1978; "Soviet Present and Russian Past," Hachette, 1980; and "Anatomy of a Ghost: the Political Economy of the Real Socialism," Calmann-Levy, 1981, date and place of interview not given]

[Text] Jean-Paul Chatelier: In the report we publish on the "1,000 days" of French diplomacy, several writers emphasize the "incoherence" of the Mitterrand foreign policy. Does Francois Mitterrand seem to you incapable of perceiving the comprehensive nature of the Soviet threat?

Alain Besancon: An incoherent policy is one that is not being applied in accordance with its principles. The action during the preceding term was incoherent to the extent that France, objectively located in the camp of the Western democracies, had chosen a president who was sincerely anti-Soviet but who constantly rendered services to the USSR (because of his exceptional ignorance of the Soviet phenomenon and of his reluctance to learn the basic facts about it).

By comparison, "Mitterrandism" has appeared coherent, if you get a good grasp of its principle. Mr Mitterrand is socialist; he wants to "change life." His program is the most "revolutionary" that those in power in France have tried to apply since the "national revolution" of Marshal Petain. Nevertheless, the socialism that he wishes to build, in conformity with the tradition of French socialism and that of the Second International, is not Soviet socialism. He regards the latter as a deviation in relation to the "real socialism" and explains this with analyses of the Trotskyite variety (Russia was backward, the environment was hostile, the transformations were too rapid and brutal, etc.). Hence, "French-type socialism" is the example that should be proposed to the world, particularly in Africa and Central America. Thus, toward the Third World, Mitterrandism is socialist to the first degree. Toward the USSR, it is socialist to the second degree: I mean by this that toward Soviet socialism Mitterrandism is not in a hostile but competitive situation. The Mitterrand program is thus rooted in socialism but also in nationalism, since it is France, for the first time since the 1789 revolution, that is proposed as example to the world.

Another reality also supports this standpoint. Mr Mitterrand, having enlisted the Communist Party in the government, is aware that such a decision risks precipitating the "change" toward Leninist paths that he rejects, or at a Leninist pace that he does not wish. Thus, he has to avoid the concurrence of an active Communist Party within the country and an alliance with the USSR abroad, and for this reason keep his distance from the Soviet world. This is not contradictory, but in fact consistent with the program of which Mitterrand wants to remain master and to control implementation.

J.-P. C.: Do you feel that this government has a better perception of the Soviet threat than the previous government, or perceives it less well?

A. B.: The previous government perceived the Soviet threat in terms of state to state relations. The USSR was viewed as a state like any other (aside from a few picturesque characteristics and bizarre phraseology), against which it was necessary to protect oneself, as for any sovereign state of that size and power, by mainly military measures. The "communist" element was ignored, and the nature of the Soviet government was neither publicly criticized nor considered to constitute a problem.

In contrast, the new government is aware of the "communist" aspect of the Soviet phenomenon. Socialism retains in its genetic memory a degree of knowledge of Bolshevik communism, since the latter is a mutation of the former. However, its perception of it is socialist: that it was really a mutation, a sickness, a derailment error within socialism, a temporary aberration that "can" and "must" be corrected. What socialism cannot understand is that the real adversary is not the USSR, but the international communist movement. Indeed, in its proselyting activity, it refuses to recognize the concurrent activity of that movement in the Third World. Moreover, accepting recognition of continuity in the communist international movement would remove any pretext for the governmental alliance with the Communist Party and would make it impossible to justify it.

J.-P. C.: There is a feeling that French policy toward the USSR and its allies is the product of various influences. In your view, what are the "prime factors"? The convictions of the president himself? Pressure of the Socialist Party (PS) leftwing? Influence of the French Communist Party (PCF)? The role of the Third World-oriented advisers (Regis Debray, etc.)?

A. B.: As I told you, the socialist program is coherent. However, its principle is ambiguous, since it is in competition with communism while at the same time incorporating it in the general idea of socialism. It seems to me that this ambiguity is sufficient to explain the variations or diversity observed within the current government.

To answer your question more precisely, I would say first of all that, aside from what he has inherited of the socialist memory, it is not evident what President Mitterrand knows about the USSR. In his writing, we observe an ignorance that is very common among Western statesmen, colored by the style of a literary man and embellished with a writer's poetic flavor whose only danger is that it may cause the president to believe that he has understood the problem.

Secondly, the alliance with the Communist Party with the aim of gaining power led to formation of a neo-Leninist left wing in the SP. From what I know about the output of CERES [Socialist Center for Studies, Research and Education] it is among the most pro-Soviet in the French political group, with the exception of the positions of some leftist Gaullists.

Thirdly, the Communist Party is playing its role as a communist party and founding member of the international communist movement.

Fourth and finally, the general situation also permits the influence of individuals to operate (such as Regis Debray), who, to the degree of their stature and resources, may picture themselves as continuing the tradition of Melmoth, Byron, Malraux, Alger Hiss, or others.

J.-P. C.: What decisions taken by France in the diplomatic field in the past 3 years seem to you the result of direct influence of the PCF?

A. B.: Without historical perspective and in the absence of documented evidence, it is not possible to judge the extent and channels of direct influence of the PCF. One can only observe that it has associated itself with a number of decisions by France while taking care to never be isolated. In the case of the Soviet gas line, its involvement hardly counted, since there was virtual national unanimity in regard to this imbecilic affair. In Chad, everything seems to have been frittered away through the delay in taking a decision. I do not know whether the PCF directly contributed to this disastrous hesitation by the government. In Central America, it orchestrated the government action and supported it with an anti-American campaign dating back to 1945, but taking care never to conduct it alone. However, there is one important sector where the PCF has been in the forefront and has not hesitated to show its colors: the Middle East. In the amazing anti-Israeli turmoil that has surrounded the war in Lebanon, the PCF has acted with exceptional vigor. Also in the campaign to "save Arafat."

In a more general way, the strategic goal of the communist movement is domination of Europe. In this regard, one of its most precious trumps is the presence of its French branch in the government. It is by its presence in the heart of the French state that the PCF contributes in the most effective way to the success of the movement. One of its objectives is to get France out of the Common Market, and the franc out of the international monetary system. Mr Doumeng openly proposed in LE MONDE establishing the franc as a nonconvertible currency, in the manner of the ruble or the zloty. The socialists, by their policy of nationalization of the economy, strongly contributed to making this prospect plausible--or even difficult to avoid. That is why the economic recentering decided on by Mr Mitterrand appears to me, in this case, in real contradiction with his general program. It is understandable that he hesitated to take this decision, moreover, we do not know that it is final.

J.-P. C.: If you think that the PCF influences French foreign policy, how do you explain that Reagan's America regards socialist France as a "good ally"?

A. B.: In some circles close to the U.S. Government, there is a considerable gap between what people think of France and what they decide to say about it

publicly. I see two reasons for this. The first is the obvious concern not to aggravate things and to avoid having French nationalism, stirred up by ill-considered statements, commit the country on a course harmful to the interests of the Atlantic Alliance. The second is the desire to influence American progressive opinion, which is strongly active in the media: an American president can talk only a moderate and centrist line.

J.-P. C.: In your view, why does socialist France obstinately refuse to perceive the international reality in terms of East-West relations? Why do the socialist leaders poke fun at those who see the "hand of Moscow" everywhere?

A. B.: This refusal does not date from yesterday. Gaullism involved denial of the basic East-West conflict by placing France in a "center" from which it regarded with disapproval--and in a spirit of symmetry--the confrontation of the "superpowers" or the "two empires." Giscardism tried to transcend this basic conflict by overshadowing it with a semi-mythical "North-South conflict." An imaginary homogeneity was thus conferred on the "North." The individuality of Mitterrandism seems to consist in separating the Soviet problem, which is assigned a reality (within the socialist ideological limits), from the international communist movement, which, in the name of this same ideology, is not granted reality.

9920

CS0: 3519/362

VIGDIS FINBOGADOTTIR REMAINING AS PRESIDENT

Helsinki HELSINGIN SANOMAT in Finnish 29 May 84 p 18

[Text] Not a single opponent emerged by the deadline to oppose President Vigdis Finnbogadottir. This means that she will be inaugurated for a second 4-year term without elections.

Vigdis Finnbogadottir was inaugurated on 1 August 1980. She is Iceland's fourth president.

In Iceland the president is elected with direct popular vote. There is only one round of elections and the candidate who has received the most votes is elected.

In the elections of 1980 Vigdis Finnbogadottir barely won over her closest competitor. She received 33.6 percent of the vote. During the elections Vigdis Finnbogadottir was generally regarded as a leftist candidate even though she has always been politically uncommitted. When the Right split its vote, Vigdis Finnbogadottir's victory was helped along.

Vigdis Finnbogadottir was born on 15 May 1930. She is divorced. Before being elected president, she worked as a teacher and a theatre director. She has been very active in working for Nordic cooperation and was a member of the advisory committee of cultural cooperation of the Nordic Council for 4 years before being elected president, acting as chairman of the committee during 2 years.

The Icelandic president has very little real power. She is the symbol of the nation's unity and a representative of her people abroad.

8200

CSO: 3617/167

DE KONING ON INDEPENDENCE OF NETHERLANDS ANTILLES

Denies 'Blackmail'

The Hague ANP NEWS BULLETIN in English 6 Jun 84 pp 2-3

[Text]

T h e H a g u e, June 6 - Jan de Koning, Minister for the Netherlands Antilles, denied last night that the Netherlands was 'blackmailing' the Caribbean islands over agreements made last year on a separate status for the island of Aruba.

De Koning made his statement in a written response to a protest from the central government of the six islands.

The islands accused De Koning of threatening to cut development aid to the former colonies if the agreement was not carried out.

Aruba is due to gain a separate status from the other five islands on January 1 1986, with a view to becoming independent in ten years, but the five are seriously concerned about the financial consequences.

Many Dutch politicians have openly accused the Curaçao-based central government of the Antilles of deliberately dragging its heels on the issue.

Preparations Blocked

De Koning, who is due to visit the islands in August, said in his letter that there was no question of Dutch 'blackmail', and that the Netherlands would not propose withholding development aid except in an extreme conflict situation.

As an example he cited Surinam, where 15 opposition leaders were shot in December 1982. He stressed that there were currently no such circumstances in the Antilles.

De Koning said that the refusal of the other five islands to continue discussions on Aruba's separate status until the financial problems had been settled was blocking preparations.

The smaller islands in particular want the Netherlands to contribute more to the 'solidarity fund' which will bolster their economies once Aruba leaves the group.

Antilles Against Independence

The Hague ANP NEWS BULLETIN in English 6 Jun 84 p 3

[Text]

T h e H a g u e, June 6 - Severing the constitutional links between Holland and the Netherlands Antilles is a risky and uncertain business, especially since the former colony seems shy of final independence, Antillean Affairs Minister Jan de Koning said last night.

Speaking to the Dutch senate during a debate on his ministry's budget, De Koning said he had the impression the islands were a bit 'allergic to the concept of independence'.

The minister added that, in the light of the current island schism on Aruba's plans for secession from the group in 1986, it would take 'a miracle' to maintain a constitutional union of the six islands.

He said he did not consider a union of five islands after Aruban secession the happiest of solutions, but this was preferable to total disintegration of the group.

'Survival Fund'

De Koning added that Holland's proposal of a 10 per cent contribution to a 'survival fund' to aid the smaller and less prosperous islands after 1986 was not an ultimatum. He said the Dutch proposal remained open for discussion.

Antillean Constitutional Structure Minister Ralph Richardson will visit the Netherlands later this month to discuss the Dutch proposal.

Richardson last month threatened to resign if Holland and the Antilles were unable to agree on a plan for post-secession island finances.

De Koning will return Richardson's visit in August.

CSO: 3600/38

TREHOLT AFFAIR SEEN AS LIABILITY FOR LABOR PARTY

Stockholm SVENSKA DAGBLADET in Swedish 23 May 84 p 5

[Article by Elisabeth Crona: "Treholt Labor Party's Major Problem Preceding the Election"]

[Text] Oslo (SvD)--A few months after the revelation concerning Arne Treholt shook Norway, there is little being said about the spy. The newspapers have written themselves out on the subject. Treholt has moved to Drammen. There are occasional details concerning the hearing. But he has a great behind-the-scenes importance for politicians. "He is in fact our single major problem as we face the parliamentary election next year," a leading Labor Party member told this newspaper.

Deliberate Silence

No one there is willing to speak out in public about Arne Treholt, the man who belonged to the left wing of the Norwegian Social Democratic Party. This silence is a deliberate party policy. Even when the issue was freshest and hottest and the party members were really curious to know something, party chairman Gro Harlem Brundtland was saying extremely little about Treholt.

The idea has been that he should be connected with the Labor Party as little as possible. He would be if the party's leading politicians dwelled on him too much.

When it was revealed that Treholt sold his services to Iraq as well, the Labor Party leaders breathed a sigh of relief. This revelation led people to believe that Treholt was not spying exclusively for the Soviet Union but was a general dealer in secret documents.

But for the party, the uncomfortable fact remains that the trial, albeit behind closed doors, will reach its climax during the spring of 1985. A number of leading Social Democrats will be examined in court at the very time when the campaign for the fall parliamentary election in Norway begins in earnest. And the election will deal with issues of the administration, as in Sweden--although with the opposition in reverse roles.

New Debate

The ruling Conservative Party has not used the Treholt affair against the Labor Party. "And we're not going to. The affair speaks for itself," the party strategist told this newspaper.

But the issue at stake is security policy. Traditionally, this has meant that debate is unfavorable to the Social Democratic Party. This is because there are sharp oppositions within the party, primarily between a younger and an older generation.

Members of the Labor Party point out that this thesis--that the party suffers in debate on security policy--indeed exists. But one nonetheless wonders whether it is as valid as before. The peace movement is regarded as a new, positive and partly untested aspect of the issue.

On Thursday, the parliament takes up a new so-called missile debate. A report on disarmament is to be discussed. Last week there was unexpected alarm in the 3-party government. There was even talk of a possible government crisis.

This was because the talks in the parliamentary committee about a joint wording between the non-socialists and the Social Democrats had failed.

The fact that the Labor Party and the Conservatives were unable to end up entirely along the same line was not regarded as so strange. The alarm was due to a debate within the coalition parties--the Center Party and the Christian People's Party.

In the parliamentary factions of the moderate parties, there are advocates of a more critical NATO line.

The Conservatives took it calmly. Prime Minister Kare Willoch is standing on very secure ground in this situation, declared his spokesman, Party Chairman-to-be Erling Norvik, at a meeting in Hamar.

"When the government expanded a year ago and became a majority and 3-party government, Willoch went to great lengths to insure that the new cabinet would joint in 100 percent in the security policy conducted by the Conservatives," continued Norvik.

Among other things, this resulted in a leading member of the Christian People's Party being dropped from the list of candidates during the nomination hearing.

Statement Criticized

During the discussions in parliament, however, an additional factor came into play, to the detriment of the Conservatives. This was Foreign Minister Sverre Stray's statement that the United States is right in intervening in the affairs of Central America, a statement for which he received sharp internal criticism and which he quickly retracted.

That led to a "frankness" in the Conservatives' discussions with the moderate parties, it is said. The non-socialist closed ranks before Thursday's vote. There was even agreement across party lines on the formulations regarding nuclear-free zones and a freeze of nuclear-weapons levels. The Conservatives changed their position, the other parties believed.

And even if the Social Democrats vote against the government in the matter of European missiles and participation in NATO, one tendency is clear: the more "moderate" members of the party have applied pressure on the left wing, the party element that suffered in the Treholt affair. The Conservatives will make the determination, but it will be made within the Labor Party as well.

It is quite clear that those who pursue a more radical line in security policy were harmed by the Treholt affair, they are saying there.

In the Labor Party, it is a mystery why Arne Treholt, as a Soviet spy, persisted in standing so far out to the left in the party. It is believed that for this reason he was never really accepted by the leaders. If he had been a bit more prudent, he could have had much greater insight and chance to exercise influence. Now the greatest pity lies in the fact that he sized up everybody so accurately--as persons--and was able to dispense a considerable amount of information. In the fields of politics, diplomacy and journalism in Norway, there was no one who rivaled his knowledge of people.

9992

CS0: 3650/213

COMMENTS ON CANDIDACIES TO PRESIDENTIAL ELECTIONS

CDS Sa Machado's Partisans

Lisbon O JORNAL in Portuguese 1-7 Jun 84 p 6

[Excerpt] A source connected with the current Christian Democratic leadership admitted to O JORNAL that Sa Machado, former foreign minister and former vice president of the Social Democratic Center Party (CDS) could replace Freitas do Smaral on the centrists' "state portfolio" for the presidential elections.

The centrists reportedly were now disposed not to wait indefinitely for a reply from the former vice president and founder of the party in the face of an excessively prolonged marking of time which, according to another leader, cannot be reconciled with the waste of opportunities, of their not being evaluated at the opportune time, or with the "preparation which the support of a candidate inevitably demands."

Sa Machado, a name that began to circulate this week, would be a candidate to achieve the "plenum" within the CDS and would not fail to achieve "considerable success" at the level of the center-left electorate. According to some Christian Democratic circles, he would not be a candidate of the crisis and could represent an "alternative to Freitas do Amaral in a second round in which Mario Soares was not present, probably with more chances than those of the founder of the party." Sa Machado does not attach special significance to these reports. Contacted by O JORNAL, he said he believed it was "no more than a contribution to a list of possibilities, and was really nothing more than that."

Supporters of Freitas do Amaral Maintain Candidacy Pro-Committee

The name of Sa Machado emerges at a time when the "blockage" attempted by Freitas do Amaral of his candidacy for Belem is not having any effect among his followers in the northern part of the country.

Meeting in Oporto last Saturday, the enthusiasm of about 100 of the supporters of his candidacy was not dampened when the message sent by the

historic leader, in which he asked "that the initiative not go further," was read to them.

In the opinion of Dr Rui Cernadas, the principal promoter of the Pro-Committee, "the message does put an end to the initiative because we have not begun the candidacy, only with a campaign on behalf of the candidacy. Furthermore, the name that we gave ourselves was purposely 'Pro-Committee' and not 'Pre-Committee,' and as such we shall continue until the candidacy is announced."

Therefore, to confirm that conviction and availability, the Pro-Committee decided to send Freitas do Amaral a detailed report of what transpired at the Oporto meeting as well as the motion that was approved there requesting him to present his candidacy.

Report on Freitas do Amaral

Lisbon TEMPO in Portuguese 31 May 84 p 13

[Report by Leonor Ribeiro]

[Excerpt] Oporto--Last Saturday, the members who comprise the self-styled Pro-Committee of Support for the Candidacy of Freitas do Amaral for the 1985 presidential elections--nine in all--organized a public meeting in Oporto which was attended by many scores of persons inspired by the idea of gathering their forces to launch Freitas do Amaral toward the presidential stage.

Despite the fact that Freitas do Amaral had sent a letter asking that they not proceed with the initiative, the members of the committee do not feel blocked in their effort. As we were told, this is an effort that is reflected in a gathering of support that comes not from "famous figures" but from the common citizen, those who are called John Q. Public [Ze Povinho].

Underlying the activity of the Pro-Committee is the desire to create a supraparty organization around their candidate. To detach the candidacy of Freitas do Amaral from one party and launch him as a national candidate are the ideas underlying the plan of these supporters. And they demonstrate it by enumerating the political origins of the nine members who comprise the Pro-Committee--a listing which they made at our request inasmuch as in their view party connotations are not relevant. In addition to members of the CDS--Dr Rui Cernadas, who presents himself publicly as the spokesman of the committee, is one of them--there are also members of the Social Democratic Party (PSD) and even one member of the Socialist Party (PS).

Still in an embryonic phase--the committee has just now opened its headquarters in Oporto--all of the activity that the committee may carry out will end on one of two occasions, as one of the sponsoring members told us: either when Freitas do Amaral presents his candidacy, or when he decides not to present it.

INCREASING SUPPORT SEEN FOR 'EANISTA' PARTY

Lisbon TEMPO in Portuguese 31 May 84 p 9

[Report by Jorge Nuno Oliveira]

[Excerpts] Industrialists and politicians from all over the country are uniting behind the movement for the creation of a new party centered on the figure of General Eanes. With the countdown underway and their eyes set on Abrantes, men who were prudently in the shadows are beginning to appear in the light of day to support "an alternative that is becoming more and more imperative for the discontented Portuguese," in the words of a convinced 'Eanista.'

The only capital coined by the new party is, in fact, discontent; which is nothing new in these matters of Messianism. It will be recalled that on other occasions there emerged clear signs of a "new party," of anxious appeals to General Eanes and of the urgent certainty of something of the "national salvation" type.

Now the capital invested by the discontented is beginning to yield interest. An activist of the former CNARPE [National Committee of Support for the Re-election of President Eanes] told us this week: "It is absolutely necessary to find and formalize an effective alternative to this government. Its ruinous policy is dragging the country into intolerable situations. Whoever voted for the government parties 1 year ago is today beginning to question the correctness of his choice."

And he added that "in 1 year, in the short period of 1 year, this government has succeeded in destroying the hopes of many Portuguese. In 1 year, our government leaders have succeeded in carrying out a policy of tightening the belt, but around the necks of the Portuguese, choking the economic balance of many families and creating situations of despair among people who did not even think 1 year ago that they could experience such distressing times."

See His Friends

As behooves him, Eanes remains silent and still. They told us from Belem this week that "the president of the republic knows about the Abrantes meeting from the newspapers." And they added that officially the president knows nothing about any activity centered around him. "Moreover," Belem informants declared, "it is absolutely certain that the president of the republic is not going to Abrantes. He was never contacted by any of the promoters of the meeting."

The truth is that Ramalho Eanes has been present at various luncheons and dinners with well-known Eanistas. "They are meetings of a personal nature, meetings that are not even secret. General Eanes is accustomed to meeting frequently with his friends, which is perfectly natural. It is his right as a citizen."

Obviously. But the truth is that citizen Eanes, who is also president of the republic, cannot be dissociated from a movement that was born in Santarem, grew up in Santarem, and is ready to take its first steps in Abrantes in the middle of the summer.

In Oporto also, the Eanista waves are beginning to gain strength. An enthusiastic supporter of the alternative solution for the crisis told TEMPO this week that Eanes is not going to delay much before intervening directly and drastically in Portuguese political life. Our informant did not offer any details but he said that "the president of the republic is going to intervene for certain, and in the month of June."

It is not the first time that such guarantees have been given. Guarantees that assume more the form of appeals and desires rather than founded certainties, properly speaking.

Except that these are different times.

But various doubts remain. What space does that party plan to occupy? What space does that party plan to "rob" from the present parties? Those are serious questions. And we are going to find the replies only in the Socialist Party. It is not very credible that the Social Democratic Party (PSD) and the Portuguese Communist Party (PCP) will be seriously upset at the prospect of a possible new party. As for the Socialist Party, of the three it is the one with the more floating political constituency. We do not foresee great dents in the Social Democratic Center Party (CDS) despite the frequent appeals of Lucas Pires for Eanes to make a speech on the general state of the nation.

8711

CSO: 3542/49

ANGOLAN DIAMOND TRIAL, CONTINUING DOWNTURN IN RELATIONS

Angolan Handling Deplored

Lisbon EXPRESSO in Portuguese 2 Jun 84 pp 12-13R

[Article by Miguel Sousa Tavares]

[Excerpts] The illegal traffic in diamonds provided the desired pretext for the Angolan regime to put Portugal on trial and prepare for a break in relations with the former colonial power. Meanwhile, the trial of the "kamanguistas" [diamond smugglers] is a judicial farce; the accused are not being granted any guarantees whatever of a proper defense.

Since 4 May, 58 Portuguese have been awaiting judgment in Luanda. This is the so-called "Kamanga case," i.e., the illegal traffic in diamonds.

Considered in Luanda as one of the most important trials since independence, the case has strangely gone unnoticed in the press and in Portuguese government circles, even though it is unprecedented for 58 Portuguese citizens to be tried at one time in a foreign country.

Even more important is the clearly anti-Portuguese tone of the prosecution, not only in the courtroom but particularly in the official Angolan press. Portugal is clearly on trial in Luanda, where the sessions of the Revolutionary People's Court have been taking place; the first session was held in the Sao Joao Cinema Theater.

The Portuguese authorities are accused of being "accomplices" in the diamond traffic, making life easier for the "kamanguistas" and thus aggravating Angola's economic problems.

According to the Angolan authorities, at issue is, particularly, Decree Law 228/79, of 21 July (during the Mota Pinto government), which allowed DIALAP and DIAGAL, companies created for the cutting and marketing of diamonds, to acquire them on the free market, without concern for the origin of the stones.

For Angola, however, the diamond case is only part of a larger plan aimed, by sabotaging the nation's economy, at destroying the regime itself, and Portugal is thought to play a basic role in this process.

On the eve of the trial, Angolan television presented a "round table" devoted to the trial. Taking part were an economist from DIAMANG [Angola Diamond Company], the vice governor of the Bank of Angola, the public prosecutor of the Luanda republic and the attorney for DIAMANG, the plaintiff in the trial.

The DIAMANG economist did not need any urging; he explained in simple terms that, according to his accounts, the total value of the diamonds smuggled into Portugal in the last few years amounted to an astronomical \$140 million, which DIAMANG is seeking in damages, even though, in Lisbon, DIALAP and DIAGAL are complaining that their operations have been virtually idled "for lack of raw materials." To arrive at this figure, Silverio Monteiro, the man from DIAMANG, did some simple arithmetic; he calculated the accumulated value of the decrease in production recorded by DIAMANG in recent years.

However, Manuel Rui Monteiro, the attorney for DIAMANG and formerly the public prosecutor in the celebrated trial of the mercenaries in Luanda, contradicted his colleague's reasoning somewhat; he identified the major force behind the smuggling as the Diamond Club of Portugal, a company formed in Lisbon only in December 1982, which he claimed had "18 secret agents in the diamond trade." However, Monteiro places most of the responsibility with Portugal, "which adopted legislation that was permissive and even encouraged the diamond traffic."

Despite the regime's elaborate staging of the trial, it is not certain that it will redound to its favor in terms of internal credibility.

A source very close to the Angolan Government, a representative of sectors that could be called the class of young technocrats of the regime, told us: "A lot of noise is being made about this trial, and it appears obvious that it is an attempt to divert attention from the mistakes that have been made regarding economic matters in recent years. But who is going to believe that a ring of diamond smugglers, no matter how successful, could be the sole cause of the chaotic situation of our economy?"

The position of a Portuguese industrialist who maintains close business relations with Angola is even clearer: "The smuggling exists and Portuguese have in fact been involved in it, but it is nothing like what they are attempting to prove with this trial. The real reasons for Angola's economic plight, aside from those that have to do with the nature of the regime, are poor productivity, errors in planning, the corruption characteristic of the African countries and, above all, the war and the cost of maintaining 25,000 Cuban soldiers, whose wages Angola is paying in foreign exchange. With this trial, the Angolan authorities have come up with a scapegoat and, at the same time, two foreign defendants: Portugal and the United States-- the United States for reasons of political propaganda; Portugal because it feeds the constant dissension between the anti-Portuguese 'hard line' of the MPLA and the pro-Portuguese sentiment of large segments of the population and the cadres."

Portuguese Abandoned to their Fate

Smugglers or not, the fact is that the 32 Portuguese seated in the first three rows of the orchestra in the Cinema Sao Joao (26 other Portuguese are being tried in absentia) are clearly abandoned to their fate.

No international organization is represented at the trial and the Portuguese Embassy in Luanda seems to have limited its efforts to dispatching a staff member to attend the sessions.

The questions which EXPRESSO directed to the ambassador in Luanda have received no reply; Pinto da Franca forwarded them to the press office of the Foreign Affairs Ministry [MNE].

In Lisbon, an MNE spokesman told us that it had taken "the usual steps in such cases," namely, "visits to the prisoners whenever possible." On the other hand, he confirmed that no protest had been presented to the Angolan Government regarding possible violations of the defendants' rights or the anti-Portuguese campaign for which the trial has been a pretext. However, on his last stopover in Luanda, in transit to Sao Tome, Jaime Gama delivered a memorandum to Paulo Jorge regarding the status of the Portuguese prisoners.

Several defendants, both Portuguese and Angolan, have denied the charges in court, retracting their previous confessions to the Security Police.

According to the charges, based on reports in "Portuguese newspapers," Lisbon receives \$50,000 every year in diamonds which leave Angola and pass through Portugal. Portugal is the center of anti-RPA [People's Republic of Angola] activity. The charge goes on to complain of an "authentic and veritable Mafia."

Thus, according to the public prosecutor, in Angola's 8 and 1/2 years of independence, about half a million dollars' worth of diamonds have been smuggled into Portugal, far from the \$140 million estimated by the DIAMANG economist before the television cameras.

The CIA Cook

In all, there are 64 Angolans, 58 Portuguese, a Mozambican and a Guinean on trial. The Angolans include eminent officers of the FAPLA [Armed Forces for the Popular Liberation of Angola], Lieutenant Colonel "Mona," former logistics chief of the FAPLA, and Major "Kembo," charged with taking bribes from the diamond smugglers. The defendants also include an all-star ice hockey player from Angola, who appeared in the 1982 world championship matches, and seven pilots and four stewards of the TAAG [Angolan Airlines], charged with having served as couriers in the smuggling.

More serious charges are placed against hockey player Francisco Fragata, accused of "high treason and espionage." Fragata was employed by the U.S. Consulate in Luanda until its closing in 1977. At that time he received a telegram from the State Department thanking him for his services and entrusting him to pay the other Angolan employees at the consulate what they were entitled to by American law. The telegram, referred to in the press as the "Reagan telegram," was entered in evidence at the trial and was almost the only evidence, but appeared to be decisive proof of Fragata's link with the CIA. Another codefendant, a former cook at the consulate who also received a retirement pension, was for this reason accused of being in the pay of the CIA.

Further evidence was the photographs, featured prominently in JORNAL DE ANGOLA, of various luxury cars and household appliances, accompanied by other photographs of bundles of dollar bills and other currency, all said to have been seized from the defendants. Despite the constant references to astronomical sums, the charges note only that "in this historic case, the following sums in foreign currency were seized: 1,000 pounds sterling, 33,945 Portuguese escudos and U.S.\$47,073."

Apparently the public prosecutor was not troubled by the small amount of foreign currency seized from the 124 defendants. In fact, as he explained to the court, the economic sabotage did not consist only in smuggling diamonds out of Angola but also...in the entry of massive amounts of foreign exchange to purchase the diamonds.

Among the Portuguese settled in Angola, the expectations regarding the sentences that the court will hand down are, under the circumstances, openly pessimistic.

The 32 Portuguese defendants are all threatened with prison sentences of 8 to 12 years if--and this cannot be ruled out--further penalties are not added.

To the eye of any observer, they are simply pawns in a much larger game that involves much more than their alleged criminal activities in Angola. Through them, from all indications, the current status of relations between Portugal and Angola is on trial.

Since these relations are close to the breaking point, we can expect nothing other than "implacable and exemplary justice."

Portuguese Inaction Protested

Lisbon EXPRESSO in Portuguese 2 Jun 84 p 12R

[Commentary by Vicente Jorge Silva]

[Excerpts] Significantly, when the political--and moral--authority of the Portuguese Government is presenting such a lamentable image, the dictatorial regime in Luanda is launching an unprecedented offensive against Portugal, utilizing a macabre theater of "popular justice," with no reaction from the responsible diplomats.

After the prohibition of the program on UNITA, this new scandal is demonstrating the political inability of the Portuguese Government to assert its authority in foreign relations and guarantee the defense of national citizens, victims of arbitrary trials and political manipulation in a foreign country.

At the moment when Mario Soares is welcoming the South African prime minister, in a provincial show of god-fathering the "new winds of history" that are blowing in southern Africa, the Luanda trial and the pro-Soviet Angolan regime's growing aggressiveness toward Portugal confirm that our influence and capacity for diplomatic initiative are today nothing more than inflated rhetoric.

In this regard, it is significant that during the period in which Sa Carneiro led the Portuguese Government--and despite the most marked ideological differences which separated the executive power in Lisbon from the Marxist-Leninist regimes in Maputo and Luanda--the relations with the former colonies were conducted according to rules of mutual respect. Now they are apparently condemned to return to the vicious circle of the complexes of paternalism and blame between the former colonizer and the former colonies.

It will be said that since the lives of Portuguese citizens are at stake in Luanda, our diplomats must be discreet, prudent and patient if they are to be effective,

and not react to the provocations with which the Angolan regime is challenging Portugal. It remains to be seen, however, if the most suitable way of representing the interests and the dignity of the country--and of defending the lives of Portuguese citizens--is to act as if nothing were happening and to employ the strategy of an ostrich, while Minister Jaime Gama indulges in the luxury of a verbal duel with the Angolan president through the columns of a Portuguese weekly.

Angolan Interference Charged

Lisbon O DIA in Portuguese 2 Jun 84 p 1

[Text] In a telex released yesterday, the Portuguese news agency ANOP took the liberty of citing and commenting on an article published in the EXPRESSO Magazine which went on the newstands only today ("Angola's Diamonds--Portugal on Trial," signed by Miguel Sousa Tavares). ANOP did so carelessly and unethically; it reprinted phrases which were not, basically, the responsibility of the author, but of the editors, and without consulting EXPRESSO; it attributed comments to anonymous sources, described only as "observers linked to the case" (quoting them as saying that "some Portuguese political circles are attempting to cast doubt on Portuguese-Angolan relations"); finally, it identified the author as a member of the "Grande Reportagem" television team which produced the report on UNITA, which is not true--and this is public knowledge.

Simply regrettable? Or is something more involved here?

6362

CS0: 3542/51

LOCAL POPULAR REACTION TO GEODSS SEEN POSITIVE

Lisbon O DIA in Portuguese 4 Jun 84 p 10

[Excerpts] (From our correspondent in Beja)--The United States firmly intends to install a satellite-receiving station in Serra do Mu, more precisely, in Telefe dos Cansados, about 20 kilometers from Almodovar, at an altitude of 577 meters.

It is an extremely rocky area, which offers a broad view of the Algarve and the sea on clear days.

Grain cultivation is practically non-existent; the people make their living from arbutus and cork and small truck farms.

The agreement for the installation was signed by the two governments on 27 March. The undertaking was given the acronym GEODSS. In Curvatos and Fonte Fenanha, the only settlements between Almodovar and Telefe dos Cansados, we interviewed several people and found that no one knows what is going on. They blame the local government of Almodovar for this lack of information.

Obviously, this situation gives rise to rumor, which the PC [Portuguese Communist Party] seizes on in its attempt to destabilize the political situation in the region, in its usual fashion. The fact is, however, that the people are receptive to this new reality; we were told this by Jose Carreiro de Palma, a small farmer: "I think the station will help to develop this region, since this is a very deprived area. There is a lot of emigration and the station might ease this situation." The possibility of a nuclear confrontation, so much mentioned in the PC propaganda, does not appear real. "It wouldn't make any difference if you were here or in Porto, in Lisbon, in Russia or in America; you would be dead in any case."

For more precise information, we asked to interview Lopes Ribeiro, vice president and councilman of the local government. According to the official, "it is true that there is a lack of communication, but we did not have the necessary data to give the public the specific and correct information."

Discussing the pros and cons, Lopes Ribeiro added: "Regarding this matter, I think it will aid in the development of the region and the municipality. It could help solve the troubling problem of unemployment in our municipality." The treaty states that the manpower to build the station will be hired locally, along with the support personnel.

"All this could contribute to development and to meeting the needs of the people in this municipality who are disadvantaged. Those of us who are familiar with the situation are going to explain it personally to the residents of the zone where the station will be installed. We will even hand out extracts of the agreement between the two governments," he added.

"Did the municipal chamber have anything to do with the agreement?" we asked.

"No," he answered, "the agreement was signed between the central government, which is responsible for the national administration, and the U.S. government."

We got the impression that, given its isolation, Almodovar would like the station to become a reality as soon as possible. It is now the responsibility of the municipal chamber to provide a clear and precise explanation of the real value of the station to this area, so forgotten and so isolated, in the heart of Baixo Alentejo.

6362

CSO: 3542/51

BRIEFS

CLARIFICATION ON EANES MEDAL--The Portugal-USSR Friendship Association is going to offer the president of the republic one of the 2,500 medals minted in connection with the celebration of its 10th anniversary, a member of the organization told the Portuguese News Agency (ANOP). It is an offer to the president "and not to General Ramalho Eanes," explained the same source commenting on "reports published in newspapers." In the meantime, the presidency of the republic informed ANOP that the president "does not have any relationship with the association, nor was he consulted by it and, not only does he not know the basis of the report but, if it is true, the reasons that may have prompted that action." [Text] [Lisbon DIARIO DE LISBOA in Portuguese 30 May 84 p 3] 8711

CSO: 3542/49

NORDIC DEFENSE MINISTERS MEET TO DISCUSS MIDDLE EAST FORCES

Helsinki HELSINGIN SANOMAT in Finnish 23 May 84 p 14

[Text] Finland is not currently prepared to increase the strength of its peace-keeping forces. According to Minister of Defense Veikko Pihlajamäki (Center Party), there have been discussions at the Ministry of Defense on sending peace-keeping forces to Beirut. In that case, however, Finland would decrease its forces in Golan correspondingly. At the moment, Finland has close to a thousand men in the peace-keeping forces.

Nordic defense ministers are meeting now in Tampere to discuss the future of the UN peace-keeping forces. The meeting is the 49th of its kind as the defense ministers meet twice a year. The first meeting next year will be held in Denmark. During the 2-day meeting the ministers will visit the training center of Finnish UN forces in the Niinisalo base in Kankaanpää.

During the meetings the ministers discussed, among other things, the Nordic UN peace-keeping forces in Near East and in Cyprus. The Kashmir project and Namibia were discussed also.

In their communique the ministers stressed the fact that the economic responsibility for keeping peace should be equally distributed among the participating countries. According to government counsel O. P. Vaananen the United Nations is 6 years late in reimbursing Finland. Finland is to receive from the UN \$1.2 million for the Cyprus project alone.

"Finland is in receivership of a total of \$20 million from the world organization," Vaananen said.

According to Vaananen the world organization owes France over \$30 million.

According to Minister of Defense Pihlajamäki Finland will never be fully paid by the UN, but to compensate for the unpaid bills there will be the reputation as peace keepers and, at home, development of defense readiness in connection with the training of peace-keeping forces.

"Finland's participation in peace-keeping forces has also brought plenty of publicity in the world media," Pihlajamäki said.

According to the Norwegian Minister of Defense Anders O. Sjaastad Norway would be prepared to increase its peace-keeping forces only if the great powers, the United States and the Soviet Union, would authorize their use.

"If this mandate is not given, Norway will be considering decreasing its forces in Unifil, among others," Sjaastad said.

In addition to Pihlajamaki and Sjaastad, the meeting was attended by Sweden's Minister of Defense Anders Thunborg and Denmark's Minister of Defense Hans Engell. A number of officials from the defense ministries of the four countries attended also.

8022

CSO: 3617/169

SOCIALIST PARTY DEFENSE PROGRAM INCLUDES NATO WITHDRAWAL

Oslo AFTENPOSTEN in Norwegian 29 May 84 p 3

[Article by Thorleif Andreassen: "The Socialist Left Party Claims That There Is More Security Outside of NATO"]

[Text] "Our membership in NATO constitutes the biggest threat to Norway's security!" That contention runs like a frequently recurring dominant theme through the Socialist Left Party's statement of an alternative defense policy, which was presented yesterday. "We must withdraw from the NATO command structure immediately, and then from the NATO defensive alliance. Our neutrality should be ensured by a defense directed against the occupation of our country. Guerrilla warfare and nonviolent resistance would make our country so indigestible for an aggressor that he would hesitate to attack us," the statement said.

Fighter aircraft and high-technology weapons systems have no place in the Socialist Left Party's concept of what Norwegian defense should consist of. The party wants a mobile defense system without heavy weapons. At a press conference yesterday, the party's Storting representative, Stein Ornhov, gave a list of the weapons in which his party wants to invest, and they were defensive, short-range weapons.

Airfields have a low priority in the Socialist Left Party's model defense--or at any rate airfields of any size. "One of the important reasons for an enemy to be interested in occupying Norway, or parts of our country, would be to do so in order to make use of our rather large airfields for military purposes. Therefore, our alternative plan for the defense of this country will assign a lower priority to the constructing and maintaining of our airfields. All airfields should be mined so that they can be put out of action," the statement said.

The Socialist Left Party wants the Ministry of Defense to depend upon general conscription and national defense to be primarily a mobilization defense program with very limited permanent forces. The main body of noncommissioned officers and privates should be made up of draftees, which means that they would be civilians in everyday life. The initial period of service would be short, lasting 120 days, and there would be frequent refresher exercises.

The Left-Wing Socialists want a decentralized defense program. Basic training should be accomplished where the soldiers live, they say, and the conscripts should get to choose the kind of service for which they will be trained--whether military defense, civil defense or nonviolent resistance.

The Socialist Left Party realizes that a policy based on neutrality cannot provide any reliable guarantees against the involvement of this country in a conflict between the great powers. But they point out that if a great power decided to invade a neutral Norway it is not very likely that we would be able to stop such an attack on our extended frontiers, even if Norway was armed to the teeth.

On the other hand, the Socialist Left Party's strategy aims at combating an occupying power by means of a prolonged resistance struggle based on a combination of civilian and military resistance. The party thinks that such a defense program would make it apparent to an enemy that an occupation of Norway would be protracted and would give an attacker a questionable military prize that would weaken him politically.

Blowing up Norwegian industries and installations that are of vital significance for an occupying force but not for Norway is included in the Socialist Left Party's alternative plan for the defense of this country as a central element of that plan. The assertion that membership in NATO constitutes the biggest threat to our security is justified in the following way: "We have made our territory available for the deployment of American communications, navigational and intelligence installations. Those installations are essential elements of American global nuclear strategy. Airfields are made available to American warplanes. Therefore it will be important for the Soviets to put those installations out of action. That means that the local Norwegian communities have been turned into bombing targets."

9266

CS0: 3639/121

LIBERAL PARTY WANTS SHORTER ENLISTMENT, SUB PURCHASE HALT

Oslo AFTENPOSTEN in Norwegian 29 May 84 p 3

[Article by Liv Hegna: "The Liberal Party Wants a Shorter Period of Service"]

[Text] Basic training lasting 6 months, fewer days off for the draftees, longer days, more training, fewer passes, fewer welfare benefits and refresher exercises every year. These are some of the measures the Liberal Party is calling for to improve the Norwegian defense structure.

The party's leadership asserts that 90 percent of all men should go through basic training. The Liberal Party continues to reject service by women instead of men, but it believes that they could participate in the defense of the country on a volunteer basis. The Liberal Party also wants the civil defense program to be adjusted to meet the actual challenges with which the country would be confronted in case of a protracted struggle and that plans should be made for the use of various forms of civilian resistance in occupied areas.

The Liberal Party accepts the storage in advance of equipment for an American infantry brigade in Trondelag, but it believes that Norwegian defense thinking is wrong on a number of points. They say that trying to stop the enemy by meeting him where he is the strongest--that is, head-on--is a hard thing to do. Holding the enemy until help comes will make us vulnerable if it does not come. It is not certain that we will get any warning before the fighting breaks out. Concentrating our defense potential might be a crazy thing to do. That is how the Liberal Party's criticism goes.

The Liberal Party says no to the purchase of new submarines, and also does not want to equip the Kobben class submarines that we have. Simple, inexpensive weapon technology must be developed, with a view to being able to increase the number of weapons, so that we can take losses. The Liberal Party says no to nuclear weapons.

9266

CS0: 3639/121

POLL FINDS WILLINGNESS TO BOOST CONVENTIONAL FORCES BUDGET

Oslo AFTENPOSTEN in Norwegian 29 May 84 p 3

[Text] A stronger conventional defense program that reduces the danger of nuclear war--it is apparent from an opinion poll conducted by the Norwegian Opinion Institute that there is a very clear-cut majority among Norwegians who are willing to make a concrete contribution--150 kroner, to be exact--to the effort to attain that goal. Only 12 percent think that Norway and other NATO countries have a conventional defense program that is good enough, while equally large groups of 36 to 37 percent of those who were questioned either think that nuclear weapons prevent attacks against NATO countries or that the Soviet Union cannot be pictured as wanting to attack.

The Norwegian Opinion Institute poll was carried out in April, for the Free Norway with NATO organization, among a group of approximately 1,000 people over 15 years of age. The following question was included: "If a better defense program in Norway and the other countries belonging to NATO would reduce the danger of a nuclear war, would you be willing to pay 150 kroner to obtain such a program?" A good 75 percent answered "yes," as against 23 percent who answered "no" and 4 percent who answered "don't know."

It is worth mentioning that a large majority in each group, without exception, favored the payment of 150 kroner. Relatively speaking, the percentage favoring such a payment was the lowest--57 percent--among Socialist Left Party voters. The next-lowest percentage favoring the payment was to be found in Trondelag and northern Norway, with 65 percent, while the highest percentage of all was to be found among the Conservative Party voters, with a good 89 percent.

If each Norwegian citizen contributed 150 kroner, that would amount to a good 600 million kroner for the entire population. Thus we in this country are pretty close to being willing to invest our share of the amount of \$20 billion over a period of 6 years which NATO has calculated is necessary for us to be able to make a nuclear war less probable. Converted into kroner, the amount would come to approximately 26 billion kroner for all of the NATO countries.

The opinion poll shows that relatively few people think that we have such a good conventional defense program now that it will prevent attacks by the Soviet Union, while three times as many people are of the opinion that it is

nuclear weapons that prevent such attacks. Military experts in NATO speak enthusiastically of an increased conventional effort, and they say that will raise the so-called nuclear threshold.

The individuals who were questioned were given an orientation, and that was then followed by a question, as follows: "The supreme commander of NATO said in a recent speech in Oslo that the danger of a nuclear war would be reduced if each inhabitant would pay 150 kroner more every year for conventional (not nuclear-physical) defense.

"Do you believe that Norway and the other NATO countries have such a good conventional defense program at present that it will prevent attacks by the Soviet Union, do you believe that it is nuclear weapons that prevent such attacks, or do you believe that the Soviet Union cannot be pictured as wanting to attack any NATO country at all?"

Breakdown of the Answers	In percentage
Have a good enough conventional defense program	12
Nuclear weapons are what prevents such attacks	37
Do not believe an attack by the Soviet Union can be imagined	36
Do not know	15
Total	100

In none of the groups into which the material collected was broken down (by sex, age, geographical location, income, education or political sympathies) were there more than 16 percent who thought that NATO's conventional defense program was good enough.

Progress Party and Christian People's Party voters were the groups that most frequently thought that it was nuclear weapons that prevented attacks, with 55 and 54 percent of the total, respectively. Socialist Left Party voters differed on that question, for only 15 percent of them had such confidence in nuclear weapons.

The idea that the Soviet Union could not be pictured as attacking was most strongly supported by Liberal Party voters (54 percent), followed by the Socialist Left Party and Center Party voters--both with 52 percent.

9266
CS0: 3639/121

MILITARY

NORWAY

DOMESTIC INDUSTRY BENEFITING FROM SUB CONTRACT WITH FRG

Oslo AFTENPOSTEN in Norwegian 30 May 84 p 33

[Text] Bergen, 29 May, NTB--The submarine contract that was entered into by Norway and West Germany in the fall of 1982 has provided Norwegian industry with orders worth 500 million kroner up to the present, BERGENS TIDENDE reports. In addition, contracts for deliveries by Norwegian industrial plants valued at from 600 to 700 million kroner have been entered into.

It is the West German Thyssen Industrie AG concern that has the responsibility for constructing submarines for the Norwegian ministry of defense, and that concern has entered into agreements with Norwegian enterprises on industrial deliveries to West Germany.

Thyssen Industrie has undertaken to purchase approximately 1.4 billion kroner worth of Norwegian goods and services during the 10 years in which the submarine agreement will be in force. That will amount to 140 million kroner per year, on the average. "Performance during the first year demonstrates that we have fully lived up to the intentions stated in the agreement," Dr Eng Helmut Hucks of Thyssen Industrie AG told the newspaper.

9266

CSO: 3639/121

BRIEFS

DELAY FOR LORAN-C EXPANSION--It will not be possible to begin the expansion of Loran C, which was planned earlier, in 1984. The Storting has had to take cognizance of that fact, and a report from the government regarding the matter was dealt with yesterday without any one taking the floor. The Loran C is an electronic navigation chain regarding which there formerly was some political strife, and in their recommendations on the matter the members of the Labor Party pointed out that they formerly had opposed making appropriations for that project before the Storting had made plans for dealing with it in greater detail. Since specific plans for a project still do not exist, they do not yet want to oppose the use of funds for further planning work. [Text] [Oslo AFTENPOSTEN in Norwegian 29 May 84 p 5] 9266

CSO: 3639/121

EXPERTS DISCUSS PLAN FOR NATIONAL DEFENSE

Lisbon DIARIO DE LISBOA in Portuguese 4 Jun 84 p 20

[Text] One of the conclusions of the first national meeting of the Auditors of the National Defense Courses held in Troia this weekend was the existence of serious problems of foreign interference due to an increase of foreign covetousness toward Portugal. On that occasion, the secretary of state for national defense revealed the main provisions of the bill on the strategic concept of national defense to be presented to the Assembly of the Republic during the month of June.

One of the speakers at the session, Navy Captain Virgilio de Carvalho considered that the central problem of Portuguese security has to do with the fact that the national territory is insecure in extension and form and is embedded between Spain and the sea. Recognition of the geographic factors led that military man to emphasize that "Portugal has always had and continues to have serious problems of external independence," adding that "foreign covetousness has increased with the geostrategic importance of the country," stemming from the increased possibilities of the Exclusive Economic Zone and from the fact that it is included in Iberlant.

Starting from these premises, Virgilio de Carvalho stressed the importance of our country exercising its sovereignty, not only in the continental territory but also in its territorial waters in order to avoid "the temptation of allied and friendly countries doing so with their own military forces.

Spain in Sight

The speaker referred indirectly to the question of the subordination of Portugal to a possible Unified Iberian Command. Similar concerns were expressed with regard to the membership of Portugal in the European Economic Community (EEC) and the implementation of the new informatics methods.

According to some participants, the blurring of the frontier with Spain resulting from European integration and the influence of the audio-visual media of the neighboring country may threaten the national identity.

The speech by Professor Bayao Horta was different. In the opinion of the latter, the food, energy and demographic deficits are the most vulnerable points of national defense.

"Portugal spends about 10 percent of the value of its Gross National Product on the purchase of fuel and about 6 percent in covering its food deficit," he said, thus illustrating the vulnerability of the economic area in the context of national defense. To these two indicators, Bayao Horta added a third: "the demographic deficit" which makes "a more homogeneous occupation of the national territory" necessary.

Other of the more significant points in Bayao Horta's presentation were: adaptation to the new technologies as a means for the country to be able to preserve its national identity, as well as utilization of national energy resources in the quest for local self-sufficiency.

Bill on the Concept of National Defense

Yesterday the secretary of state for national defense, who represented Defense Minister Mota Pinto at the meeting, revealed some of the main provisions of the bill on the concept of national defense to be presented to the Assembly of the Republic.

According to Figueiredo Lopes, the document, already evaluated by the Superior National Defense Council and the commands of the three branches of the armed forces, needs only slight changes "in order to eliminate some errors," specifically in the part that pertains to the membership of Portugal in the EEC.

The document states that "the basic strategic unit" that determines the over-all strategy of the state in the matter of national defense is the nation.

On the general political level among the objectives aimed at are the development and strengthening of the "conscience of national identity and the civic conscience of the whole population, especially the youth, as well as of a national public opinion enlightened and motivated in the area of security and defense." The need for "civil emergency planning coordinating the management of available resources" is also emphasized.

In the foreign political-military area, the bill underscores the fact that Portuguese participation in NATO must reinforce "the autonomous defense capability and be compatible with the latter." Finally, with regard to the internal political-military area, the document recommends emphasizing the effective autonomous defense component, "with the capability to survive and deter the threats to the national integrity."

8711

CSO: 3542/59

GARCIA DOS SANTOS PROTESTS LACK OF REASSIGNMENT

Note to Defense Ministry Unanswered

Lisbon DIARIO DE LISBOA in Portuguese 6 Jun 84 pp 1, 20

[Text] Having resigned about 7 months ago as army chief of staff following a "gentlemen's agreement" between the president of the republic and the prime minister, General Garcia dos Santos continues to wait for an assignment compatible with his high military rank.

In statements to Portuguese Radiobroadcasting-1 (RDP-1 this morning, Garcia dos Santos expressed complete wonderment over his situation and said that he is awaiting a reply to the request he made to Defense Minister Mota Pinto 2 weeks ago pertaining to the matter of his nonassignment.

Garcia dos Santos stressed that that request, set exclusively in the military context, was made only because up till now the armed forces chief of staff (CEMGFA), General Lemos Ferreira, has not made any decision regarding his situation.

The four-star general said also that nobody shows a willingness to assume responsibility for his assignment and that the predecessor of Lemos Ferreira as CEMGFA, General Melo Egidio, himself, told him that there was no possibility of a solution to the problem.

In military terms, it is the rule that at the time of his resignation or transfer any member of the armed forces must receive orders to present himself at a military unit or establishment to perform other duties. General Garcia dos Santos did not receive any appointment or orders after his resignation (on 22 November 1983) and the prime minister himself, Dr Mario Soares, who was involved in the agreement that led to his resignation has avoided any action or decision, forwarding the matter to the Ministry of Defense and the armed forces hierarchy.

This morning, the DIARIO DE LISBOA tried to contact the Ministry of Defense to ask the reasons for the delay in replying to the request made by Garcia dos Santos. The minister was away in parliament in connection with the debate on the confidence motion presented by the government. His office chief, Colonel Hugo Rocha was not in the ministry. As for the press

assistant, Engineer Balao, we could not find him in the Restelo building either.

Will nobody answer the general?

Defense Ministry Professes Ignorance

Lisbon DIARIO DE LISBOA in Portuguese 7 Jun 84 p 1

[Text] Colonel Hugo Rocha, office chief of Defense Minister Professor Mota Pinto told the DIARIO DE LISBOA this morning: "To this date, no request or petition from General Garcia dos Santos pertaining to the matter of his assignment has entered the office of the minister of defense." He was responding to the statements made to RDP yesterday by the former army chief of staff to the effect that he was waiting for the reply of the minister of defense to a request submitted about 2 weeks ago. Colonel Hugo Rocha admitted to us, however, that such a request could be in process in the Army General Staff and could eventually be presented to the minister of defense. Nevertheless, the DIARIO DE LISBOA learned from an official in the public relations service that there is no knowledge of the aforementioned request. At the same time, the same source emphasized to us that any decision about the case is not within the purview of the Army General Staff because since Garcia dos Santos is a four-star general, it is not within the competence of the army chief of staff, Salazar Braga, a three-star general, to make the decision on the case. It is a problem for the Ministry of Defense, added the army informant. Up to the date of this edition, it has not been possible for us to contact General Garcia dos Santos, who resigned 7 months ago and has not yet been assigned, regarding the replies of the Ministry of Defense and the Army General Staff.

Salazar Braga Intervention

Lisbon A TARDE in Portuguese 8 Jun 84 p 6

[Text] The army chief of staff, General Salazar Braga, decided to request an audience with the minister of defense to inform him about the petition in which his predecessor, Garcia dos Santos, requests an assignment.

In statements to RDP this week, General Garcia dos Santos revealed that he has been waiting for some time for a reply to the petition he addressed to the minister of defense in which he points out the fact that 7 months have elapsed since his resignation as army chief of staff and he has not yet received a new assignment.

Military circles express surprise at the delay shown by the army chief of staff regarding the assignment of a subordinate (a situation in which Garcia dos Santos finds himself and refer to the way similar cases were resolved, specifically in the navy.

It should be mentioned, finally, that for some time General Garcia dos Santos has been engaged in the service of a private company.

EMPLOYERS' LEYSEN ON ECONOMIC, INDUSTRIAL POLICY

Brussels KNACK in Dutch 9 May 84 pp 13-17

[Interview with VBO Chairman Andre Leysen by Frank de Moor and Frans Verleyen: "The Man Who Wants to Stop the Nonsense"; date and place of interview not given; passages enclosed in slantlines printed in italics]

[Text] Andre Leysen has only just been at the helm of the employers organization VBO [Association of Belgian Employers], and the road is already scattered with new emphases. This industrialist apparently wants to make use of his three years of chairmanship in order to vigorously correct the course of affairs in the Belgian economy. No more nonsense.

[Question] A couple of weeks ago you made a kind of speech from the throne on behalf of the Belgian industrialists. That has been written about a lot. Have people understood you well?

[Answer] It is still a bit early for a review of the reactions, but for the time being, I think that the essentials were caught properly. I am in favor of an open approach in the social dialogue. There is the very modern new problem of the gap between gross and net pay for employees. The Belgian state is not functioning well since the reform of August 1983. Those three signals appear to me to have been received right enough.

[Question] Your predecessor Daniel Jansen is leaving, and suddenly there is only one single name left: Leysen. Do you consider yourself to have been elected by plebiscite?

[Answer] I think that is a very strong word. In the VBO, they have the habit of slowly preparing a consensus. The federations will be consulted, and such. New chairman, my predecessors as well, are always indicated unanimously. I felt that my candidacy was already warm in the month of December. I then began to ask here and there, in Belgium and in Leverkusen at Agfa-Gevaert, whether I could get enough time off. You know that I am chairman of the board of there and in Belgium. In that position I should not concern myself with daily management that has already been delegated. I am still involved with the coordination of Agfa-Gevaert at the global level. But it appeared to be

possible to free a quarter or a third of my time for the office at the VBO. My shareholders are consenting to me being a little less available. I now still go to Leverkusen twice a month for a day at a time.

[Question] What is the VBO looking for in a man like Leysen?

[Answer] I think that the federations were looking for a Fleming with a certain reputation and from a large company. Everything probably slowly fixed itself to my name.

A Pope

[Question] You now have to go and negotiate about a new social agreement for all of the country, with the employers and the government as arbiters. Do you have a private technique for making this kind of a thing go faster?

[Answer] I assume that social negotiations are just like other ones. So: listen a lot, correctly sum up the position of the opponent, be clear about your own opinion, make the synthesis, and then look if there are points of contact somewhere. We all do that in our daily lives, don't we.

[Question] You have already put a couple of cards on the table. Almost no sympathy for shorter working hours (except piecemeal in part-time circumstances, a profound doubt of the judiciousness of the state, and a gap between the professional skills of the people who are looking for jobs and the demands of industry. With those starting-points, you almost certainly will not reach an agreement.

[Answer] Difficult it is going to be in every respect. We can not make do with stopgaps for the short term anymore. A recovery of our economic system, and therefore sufficient employment, can only be achieved if we finally get a good economic climate again. I have already said so in my speech: one can not make entrepreneurs by decree. So, together with the unions, I want to go and seriously investigate why suddenly all over Europe that assessment comes about: there is no business being conducted anymore. There is in the United States and Japan. During the last 12 years, almost 14 million jobs have been created in the United States. Here, 3 million have been lost. So is it not getting to be time to seriously go and look for the cause? What are we doing wrong, actually? There must be something.

[Question] There is a theory about that. If the industrial profit margin is lower than the current interest rate on invested capital, there will be less business done. Do you want to get the industrial profit level above the interest rate of the banks, again?

[Answer] We are not dealing with a simple figure. What actually is the matter with Belgium? I think that we have only two kinds of economic growth potential. There is the small entrepreneur who starts something, who has an idea or a product. You see that often nowadays, like in the neighborhood of Kortrijk. The place is teeming there with small companies with five, 10 or 20 collaborators. They have found something, they smell a market and they are off and running. That is growth.

A second pole lies of course in the multinational investments. We ourselves have few large Belgian industries, history has wanted it that way. We used to be strong in basic industry and that is now dying off. The really large factories here have to come primarily from abroad. This is possible only in a political climate like the one in the time of Minister Anton Spinoy during the 1950's. He wanted to get BASF to come to Antwerp, and locked up his officials in a conclave with the negotiators of that company, which really had already decided to go to Rotterdam after all. "You do not get out of here until there is a solution, until you have a pope." The method succeeded, too, BASF came to Antwerp. That climate is no longer there. During the last 10, 15 years, the multinationals were mostly denounced. The economic and fiscal legislation was highly unstable: the multinationals do not know anymore whether that which is valid in Belgium one year will also remain so in the following year. Such a thing we call a lack of an open climate. You only get that back after a couple of years of stability.

And then that small entrepreneur. That is the man who provides growth with his idea, his restlessness and a small core of good collaborators. That is the man who takes a sometimes vital risk during his life. He now usually gives in, as well. He drowns in the papers, the regulations and the taxes. If he puts himself on the payroll of his little company, he has to hand in more than half. The same goes for his fellow pioneers. So it is rather clear what we have to do to make that man enterprising again. That is not a figure, but a political atmosphere.

[Question] There are, therefore, two roads that lead to recovery: lower wages and less taxes. Is that what you really mean?

[Answer] No. For the multinationals a steadfast political climate is needed in the first place. The politicians here, wherever they come from, should wake up to the fact that economic legislation can not be changed every six or nine months. Writing a law only takes a couple of days. The adaptation of the economic machinery to that new law, however, may take months or years. Our industry suffers to a large degree from a mess of brand new, new, more or less recent and already antiquated laws. What is needed is constancy, however. I think that governments which remain in office for at least four or five years can provide that.

[Question] A more stable power of the state, then, a strengthened authority. In the present political tide, that thought may appeal to you. But what if a different coalition gets in power? Then you are stuck with an equally formidable opponent. Then what?

[Answer] I am not at all afraid of a well working democracy, whether it is being led by Thatcher, or by Mitterand. The changing of the majority, the exchanging of the alternatives belongs to the essence of European civilisation. I am, however, very sympathetic to the image of a government which works with a fixed prescription, no matter which, which makes corrections along the way if necessary, and at the end of the stretch sees the results of its policy.

In Belgium, you have not seen that for a long time. The changes happen too abruptly. Since 1980 we have suddenly experienced the rise of the regions with economic authority. We now send one mission after the other abroad. In Japan, the prime minister of Wallonia, the president of the Flemish government, and the prime minister of Belgium are succeeding one another. That is beginning to be very annoying over there. I now hear it said: never invest in Belgium, because there you will get into a quarrel with at least one opponent.

[Question] You hear that being said abroad?

[Answer] Yes, they are very uncertain over there. Moreover, they have noticed that every more or less important government order here promptly degenerates into a communal dispute. Many dossiers are being split up, not because of economic logic, but under communal pressure. That same pressure is now developing within the regions, Charleroi against Liege, Antwerp against Zeebrugge. The Burgundian duke John without Fear once had to mediate between the city of Bruges and those of the surrounding area. The question was who was to march in front in the caravan to war. Duke John decided: the ones at the departure and the others on the return. That kind of particularism makes me think of modern-day Belgium, and our relevant policy is decidedly not being understood abroad. There, it makes a deadly impression.

[Question] With these words you get into a rather serious collision with the tenets of the present Flemish establishment, with those of the VEV [Flemish Economic Association] and the like.

[Answer] I do not want to enter into a discussion with anybody. I believe that people have good intentions. I also assume that there are those who from the present Belgian blockade draw the conclusion that since we can not move backwards or forwards anymore, we will have to do our own thing in Flanders and Wallonia. I think that the concern is just as valid, with which it is being said: Belgium is a Siamese twin, economically speaking, just begin to cut into that and who is to get the heart? I do not want to be federalist or unitarist. My duty as VBO chairman consists of asking: does everybody really know what he is doing? Are the consequences of each decision being well investigated in advance? Are we not falling into a useless diversion of opinions, into distrust and nagging without regard for the economic damage? How all of that should be solved does not belong to the task of the VBO. But we do have to make ourselves heard.

Walloon Sugar

[Question] The Flemish Economic Association ...

[Answer] A year and a half ago, we published a manifesto with some 20 employers, also signed by the then chairman of the VBO and also of the VEV. My name was underneath it as well. In that text it says very clearly what we can agree with, and I believe that there is no contradistinction in it between the VBO and the VEV. For someone to have a personal opinion next to that, or an individual suspicion about the course of affairs, is his privilege completely. I see it as my duty, however, to point out that discord is bad, and

that we must attempt to do anything to prevent that an actual economic division between the two parts of the country would come about. In that case, there would only be losers.

[Question] Next to that, you seem to prefer the larger Belgian market over the smaller Flemish and Walloon ones. The economy of scale.

[Answer] We want a European market because we can hardly be a match for Japan and America. There, the large companies, like for example the photography sector of which I know something, sell more than half of their own production at the home front. From far away, they see Europe as a residual mass market where they can compete at sharp prices. They have such a solid base domestically, you see, that they do not run extravagantly large risks abroad. They can shoot at us from a safe bulwark. Well, we can not do that from Europe. Europe is not even a real market. In every country, the regimentation differs concerning prices, exchange rates, transport norms, the forming of cartels. No truck of Agfa-Gevaert can leave, or it will stop within some two hours at one border or another. When I travel by car between Mortsel and Leverkusen, I meet three speed limits on the way. If I want to make a telephone call while driving, I need to have three systems in my car: a Belgian, a Dutch, and a German norm. How can Europe be one, if it is not even allowed to speak and listen on a common wavelength?

In that Europe, which is already so divided, we now would go and divide our Belgian market in two parts. Now, if such a thing were to happen in good friendship, then it would not be the worst, but that is not likely. In the other case, those markets will be divided gradually and silently. That is going on already. Differences are coming about, among other things, in the regulations of the food inspection. Walloon OMCWs [expansion unknown] do not buy any Flemish products any longer, and vice versa. I know businessman who wanted to sell sugar in one of the parts of our country, which was made in a Walloon factory, but manufactured from Flemish beets. He himself did not know whether he was supplying Flemish or Walloon sugar. Just in order to badger one another, industrialists in one part of the country are injuring their colleagues in the other. Nobody is benefiting from that, both sides are suffering damage. There is only destruction going on, and at what cost?

[Question] This again seems to go against the thoughts of the DIRV [expansion unknown], and of political figures like Gaston Geens, who are looking everywhere for the label "Made in Flanders".

[Answer] I do not want to make comments on politicians. Everybody fulfills his tasks as he thinks it is good. But I am an economist, and I am telling you that our development towards small scales is being looked at abroad with a compassionate eye, and that, if everybody is not going to sit down at a table together, our prosperity is going to be hit hard.

We are now living in a structure in which the obstinate decides, because he determines the pace. This country has a fifty-fifty block. Dual federalism can never work, unless with a very strong central government. I am not saying how thing should be done, instead, it is up to the Belgians to decide democratically about that. But I do not like politicians who say: we are going

to sacrifice this generation, in the interest of the next one. Nevertheless, that is what we are doing, if we are going towards a division in discord. That is all right with me, if the majority wants it, but it is my duty in every respect to say: here is the bill.

[Question] This is an almost solemn polemic against the slogan: Flemish prosperity instead of Belgian poverty.

[Answer] I am never against something, I am always positively in favor of something. I am in favor of searching for a /best solution/. Free of passion, I would like to propose: let us order a kind of McKinsey [organizational consultancy] study about the Belgian possibilities in order to get to a useful system. Let us give that study to the politicians and say: look, here you have an economic blueprint. For this or that solution there will be these or those consequences. After that, the lawyers and the politicians should sit down at the table. If there yet will come about two mentalities, two neo-protectionistic markets, two kinds of money and two countries, then it will not have happened so blindly.

[Question] A McKinsey-style report will cost about 50 million [Belgian franc]. Does the VBO not want to finance that?

[Answer] There are other ways to do that. That amount comes to the deficit which is being caused by hardly half an hour of government action.

[Question] In the mean time, we quietly go on with the Flemish DIRV and the Walloon Synergium in order to prepare the technological future.

[Answer] I think those actions are good, educationally. They influence the industrial mentality in a future-focused way. But I caution against the government entering the microeconomic area, or it will make a mess of it. Also, we should not want to give the impression, in our country or elsewhere, that Belgium is somekind of Silicon Valley. We are not that far by a long stretch. We will still have to build up a lot and remain realists.

[Question] Even so, the traces of automation and the application of chips are already becoming visible here, too. Of the 300 billion [Belgian francs], which were added to the Belgian working capital during the last two years, only a small part has been spent on investments. And those investments then mostly involve robots instead of new jobs for live people.

[Answer] I have already said that the economy is not a Porsche which reaches a velocity of 100 kilometers per hour after 8.4 seconds. It is, rather, a slow ship which only reaches its cruising velocity after 30 minutes. From my own company I know, moreover, that scientific management of engine parks should not lead to less employment, but I know just as well that omitting automation for social reasons will make the whole company disappear, and therefore all employment. Finally I point out to you that employment in Belgium grew by 6.7 percent during the last half year. Unemployment is partially coming about because of a, historically speaking, unusually large demand [by the laborers] for labor.

Subsidies

[Question] In your maiden speech, you spent rather a lot of friendly words on the policy of Martens V [the fifth Martens government]. But this cabinet in two years time increased the national debt from 3000 to 4000 billion francs. The fiscal pressure leapt upwards, as well, despite the most beautiful promises. There is no real saving going on, no reconstruction and no slimming. The rest is a smoke screen of words. Do you not see that?

[Answer] I do, but a man gradually becomes modest in his expectations. As a businessman, I am already very relieved now that I see that this government has at least become aware of the problem, and that it is grasping for the brakes. The deficit of 16 percent of GNP is now already at 15, and is perhaps on its way to 12 or 13 percent. I strongly doubt whether that is sufficient, but one could have feared worse. If the government does as it says, sooner or later there will be a chance for recovery. The trick to get out of it is that the GNP has to increase faster than the growth of the debts. In any case, we will drag those along like a hobble for many years yet.

[Question] To the squandering mechanisms of the state, which you fiercely criticize, also belong the subsidies to industry.

[Answer] The VBO and I myself are openly opposed to that situation. What is concerned here is an amount of about 100 billion [Belgian francs] a year, almost as much as the yield of the corporation tax. Those transfers go to companies or sectors which are in trouble, they form a kind of social security for the businesses themselves in which the strong one pays for the weak, healthy for the unhealthy.

You can of course raise the point: the companies still do accept that money. And it is indeed the case that he, who does not accept subsidies in Belgium, is beginning to make a somewhat abnormal impression. Quite often someone comes to me with the message: on this or that budget there still is money. What is meant is: ask something, why don't you. That is a questionable attitude, perhaps grown from a desire to create political clients. From now on, I want to draw the attention of the suppliers of government money to the exception. The suppliers are in the government, that is simply clear. The whole situation, by the way, looks a lot like the compensation policy. In a couple of years, the state will have to make a counterorder for "the other part of the country" for every nail it wants to buy domestically.

[Question] Within the VBO itself, one frequently hears reports about bad business sense. There are, by the way, official reports, also from the economic magistrate, which blame a considerable number of bankruptcies on wrong company management.

[Answer] That is correct, and it is inevitable. The economy is like like itself. In every organism there are healthy and diseased building blocks. Old organs die off and new ones grow. There are companies which come into wrong hands because of family relationships, or whose leaders get into a sector without any opportunities. The foundation Industry-University, or the seminars of

Professor Vlerick can lead to a continued improvement of our management. By the way, I do not believe that we still are so manifestly far behind of, for example, the United States. We will, however, never be able to eliminate all deviations. I request your attention, though, for the positive, the strong side of Belgium: we here have a reservoir of people who speak three, four languages. Foreign visitors are often surprised by that. They find an open population here, exposed to various cultures. That enormous potential we are letting go off, alas, despite our great possibilities. We are positioned correctly as far as traffic technology goes, in the heart of the European turntable. Just draw a circle around Brussels with a radius of 300 kilometers. Notice the multilingual and well-educated population, that is all there together. We are now giving the signal to the outside world that we are busy destroying that. I think such a thing is terrible, and that is my message.

[Question] You have said something else that sounds exciting in our political constellation. Based on your graph in which in the period 1982-1984, the employees find only half of the indexation back in their income, and the state almost twice as much, your hypothesis says: employees and employers have a common problem. They both face one and the same voracious government.

[Answer] Yes, that expression has caused some excitement. I do not intend all that polemically, but what is concerned here are plainly the facts. A quarter of the gross national product is going towards social achievements. Everybody knows of the squandering: superfluous CAT [Computerized Axial Tomograph] scanners [for radiology] in our hospitals, two departments for open-heart surgery in Antwerp, and so forth. There is also the cost price for the denominational segregation in education, and in general the taking away of the personal responsibility of the citizen, because of all those systems with a third payer.

Formerly, it were the rich, so to speak, who had to pay the difference for the people without money in order to give everybody a decent existence. But all incomes above two million these days amount to barely 14 billion in Belgium. One can not do much with that anymore, now it is the masses who have to pay for the masses.

[Question] People like to call you a "political businessman". What do you draw on for your wisdom? What books do you prefer to read?

[Answer] I frequently read a mixed bag, and in the last few months I have only been able to pick up one single book by Barbara Tuchman: "The March of Folly". Every Belgian should count that among his compulsory reading. It is about how countries, peoples and structures are always in danger of acting against their own interests. How the popes of Avignon almost fatally evoke a Luther.

I have not read much recently, because I have written a book myself. The working title of it is "Krisissen Zijn Uitdagingen" [Crises are Challenges], and it will soon be published by Lannoo. In general, I sense the value of the classic authors: the stoic teachings of Seneca, the common sense of Herodotus. I once gave a half-hour talk on management, and only at the end I said: I did not speak a single word of my own. It is all Herodotus, with his perennial

problems about taking decisions and options. And I very much like "Das Glasperlenspiel" [The Glass Bead Game] by Herman Hesse, within that book as a central theme is the questions: "Is contemplative man not superior to active man?" Hesse comes to the conclusion that /vita activa/ [active life] is ultimately the most noble calling.

[Question] How late do you get up?

[Answer] I am at the office at seven-thirty, and home in the evening accordingly. But I try to keep my weekends free.

[Question] And then you jog?

[Answer] That I do wherever I am. I have run in Central Park in New York and in the Forbidden City in Peking.

[Question] What kinds of shoes do you use for that?

[Answer] American ones, with very thick soles.

12568

CSO: 3614/91

POPULATION GROWTH CONTINUES TO SLOW DOWN

Helsinki HELSINGIN SANOMAT in Finnish 21 May 84 p 17

[Text] Compared with many other countries, Finland's population has grown fairly slowly. In 1980 Finland's population was 4,784,710 which is only 750,000 more than 30 years earlier. However, the age distribution has changed considerably. In 1950 every third Finn was under 15, in 1980 only one in five. The number of those over 65 increased from 7 to 12 percent during the same period.

The changes are discussed in the publication "Vaesto ja asuminen 1950-1980" (Population and Living 1950-1980) by Tilastokeskus (Center for Statistics), which is based on census statistics.

The average number of children in families has decreased. In 1950 it was 2.2 but in 1980 only 1.8. Large families are rare: families with four children numbered over 100,000 in 1950, four years ago there were only 20,000.

Single parent families with children under 18 numbered approximately 100,000 in 1980. Their number grew by a third during the 1970's.

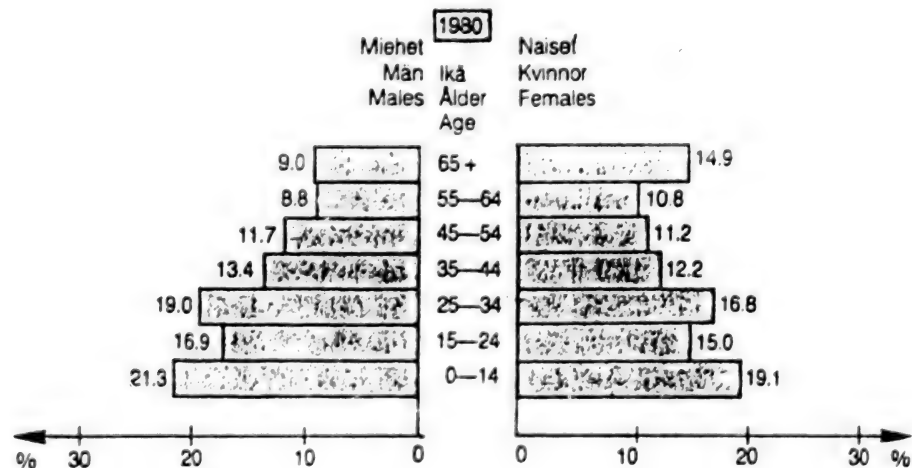
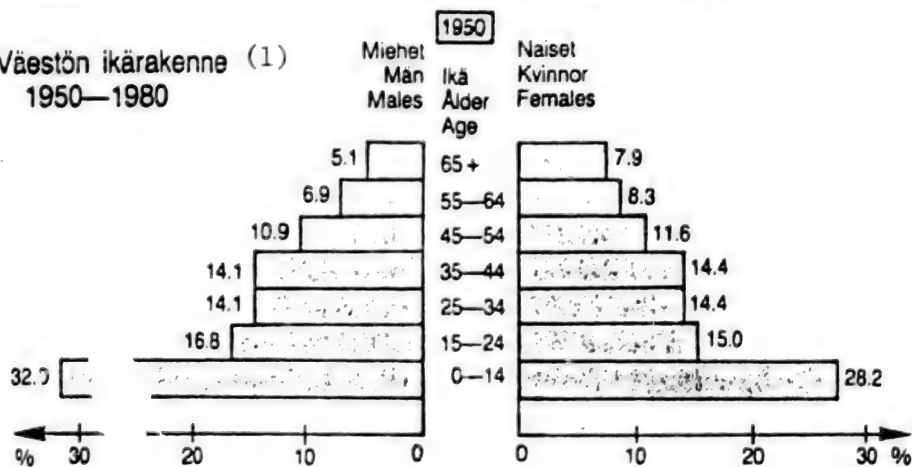
In 1960 there were 300,000 retirees, in 1980 there were 800,000. Women made up more than 60 percent of them.

In 1960 women comprised 35 percent of the working force, in 1980 they comprised almost 42 percent.

Working outside one's county of residence has increased considerably: in 1960 approximately one tenth of the work force worked outside their county of residence, in 1980 almost one quarter. This has been the result of a considerable decrease in the farming population and the centralization of jobs.

In 1950 three percent of the adults had taken the college matriculation exam, in 1980 their number had risen to 12 percent or close to half a million. The number of individuals who had received training in a trade grew from 14 percent to 40 percent in 1960-1980.

Väestön ikärakenne (1)
1950—1980



	1950		1960		1970		1980	
	%		%		%		%	
Yhteensä Inalles Total	4 029 803	100.0	4 446 222	100.0	4 598 336	100.0	4 784 710	100.0
Ikä — Ålder — Age								
65+	266 526	6.6	327 511	7.4	427 488	9.3	576 183	12.0
55-64	307 324	7.6	400 646	9.0	480 769	10.5	470 055	9.8
45-54	454 175	11.3	543 262	12.2	517 466	11.3	548 488	11.5
35-44	577 173	14.3	550 025	12.4	568 794	12.4	609 765	12.7
25-34	575 930	14.3	597 346	13.4	619 000	13.5	850 835	17.8
15-24	638 557	15.8	684 478	15.4	866 269	18.8	762 513	15.9
0-14	1 208 236	30.1	1 338 991	30.1	1 118 550	24.3	966 871	20.2

Key:

1. Age Distribution of Population

Housing Improved

The average size of homes has increased and the standard of equipment has improved essentially. In 1980 the average size of a dwelling was 69 square meters, which is approximately 10 square meters more than 10 years earlier.

In 1950 every inhabitant had the use of an average of 14 square meters, in 1980 almost twice as many. Only two percent of population lives in cramped circumstances, while in 1950 a good third of the population lived in crowded circumstances with more than two people per room.

In 1980 there were almost 252,000 summer cottages in Finland, of which over 60 percent were built after 1960. A good third of the cottages were less than 10 years old. Only one fifth of the cottages were year-round cottages.

A good third of cottage owners were professionals. One fifth was workers and one fourth was retirees.

Census is conducted in Finland every 10 years. The previous census was taken in 1980, but due to the information becoming out of date, the Center of Statistics announces that a decision has been made to conduct an occupational study concerning the entire population. A similar study was conducted in 1975 also.

The questionnaire will be directed to all 15-74 year olds. The questions will deal with the place of employment and the occupation. There will be an effort to make giving of information obligatory under law in the same manner the census is conducted.

The special feature of the study will be that the statistics generated by the study will not be free, with the exception of summaries concerning the entire country and the provinces. Counties will have to pay for the information.

8200

CSO: 3617/167

REDUCTION IN WORK HOURS PUSHED TO CHECK UNEMPLOYMENT

'Microeconomic' Approach Preferred

Paris LES ECHOS in French 7 May 84 p 10

[Article by Adrien Popovici: "New Measures Before Summer"]

[Text] The government should announce new guidelines in the fight against unemployment before the summer. The main instrument chosen is a reduction in and rescheduling of work. However, unlike what has been done in the past, the approach will no longer be overall. The method chosen this time will give priority to a decentralized approach by sectors and enterprises. "Between now and summer vacation, progress must be made with respect to reducing work hours (...). I would like work to begin rapidly on this matter for we have fallen behind," said Jean Le Garrec in a meeting with newsmen on Friday.

The secretary of state for planning said that the government "will not create an impasse" on the matter since unemployment remains "the top concern." He added that his departments will proceed very quickly to make an analysis and engage in experiments with rescheduling and reducing work. Unlike the demands of German metal workers on the 35-hour work week, Le Garrec believes that "we do not have the right to speak" about any reduction in work of the "35-hour-work-week-for-all" type. Rather, there must essentially be a "microeconomic approach adapted to each sector, each branch, each enterprise."

Flexibility of Citroen

This approach, coming after the naming of Henri Guillaume, former aide to the prime minister and a supporter of austerity, as the new planning commissioner, is based on two factors: first, the reform of planning, which recommends the start of negotiations between socioeconomic partners in terms of the objectives chosen by the plan. The work week is an essential basis of the strategy of the Ninth Plan in the fight against unemployment. Within this framework, the National Planning Commission, on which trade union and professional organizations are represented, must ensure followup of execution of the plan, like Parliament. This is a framework which Le Garrec definitely intends to use, as the minister recalls in the book he has just written on the Ninth Plan ("Demain la France: Les Choix du IX Plan," Editions La Decouverte, April 1984).

Another argument: negotiations on employment "flexibility" between the CNPF [National Council of French Employers] and the trade unions, scheduled to begin on 28 May. Although the subjects to be examined: part-time work, contracts for specified periods of time, temporary work, revisions in hiring and firing conditions, the CNPF excludes any new reduction in the work week, both on the national and sectorial level. This issue, as Pierre Beregovoy, minister of social affairs, recently recalled, "remains of constant topical concern" to the government.

In addition, the government is increasing its pressure on corporate officials every time layoffs are announced, urging them to accompany their reorganization with a plan to reduce and reschedule hours. In the case of Citroen, for example, the plan continues to be the subject of intense talks and the Ministry of Social Affairs hopes to see the automotive firm take the path of limiting the number of layoffs announced last month. The solution recommended by Beregovoy's advisers would, if accepted, constitute a precedent and open a breach in what the trade unions call "employer intransigence" over the 35-hour work week.

But the re-emergence of the reduced work week, in a more realistic and new form, also has other causes: increased sensitivity of European trade unions to the issue, which creates an environment favorable to a significant advance, it is thought in government circles, and this on the European level. Another reason is the provisions on the evolution of the work week in 1984 which, according to INSEE [National Institute of Statistics and Economic Studies], should drop very little (on the order of .3 percent) and the increase in the number of employees who, during the course of the Ninth Plan (1984-1988) will number an additional 725,000. The dizzying rise in unemployment in the months and years to come -- France could reach an unemployment rate of 10 percent over the next 12 months -- incites the government to do everything possible to halt the trend. It is a kind of response to the criticisms of trade unions concerning the absence of any "social facet" to the reorganizations and austerity and above all, to the worries of households -- as all the polls show -- given the rise in this trend which in 1981, as the left cannot forget, was not unrelated to the change in power.

Government Incentives for Companies

Paris LES ECHOS in French 15 May 84 p 2

[Article by A. P.: "New Financial Incentives"]

[Text] "The idea of reducing the work week is growing because the movement that started three years ago demonstrates the realism of this social and economic objective." It is an objective "that one cannot reduce to a problem of the clock and the pocketbook." It was in these terms that Jack Ralite yesterday announced new incentives to reduce the work week.

However, unlike in 1982, the approach is contractual and associated with the modernization process. It is a matter of making solidarity contracts more flexible and in some cases, government aid is involved.

The first innovation is that government aid will henceforth depend on the effect on employment of the extent and speed in the reduction in the work week.

The combination of these two factors yields three different rates of aid: 1,500 francs (per job per hour) for enterprises that reduce the work week by 4 hours or reach 35 hours within 18 months, by creating jobs or keeping the number of employees steady; 1,250 francs for those meeting only one of these two conditions; and 1,000 francs (current rate) for those that reduce the work week less and that, "without being able to guarantee they can keep the level of personnel steady, pledge not to carry out 'economic' layoffs" during the period of the contract (except in the case of a special FNE [expansion unknown] allocation agreement).

Example: For an enterprise going from 39 to 35 hours without reducing personnel, the amount of aid will be 6,000 francs per wage earner the first year, 5,250 the second and 4,500 the third. According to the Ministry of Employment, for a worker earning 6,000 francs a month, the net cost of the reduction, without taking gains in productivity into account, is 7,387 francs.

In other words, the government covers 81 percent of the cost to the employer the first year, according to Ralite, 71 percent the second and 61 percent the third (57, 50 and 43 percent respectively, if one takes fringe benefits into account).

Linkage With Training

The second new element is the linkage of the reduced work week with training. Henceforth, within the framework of technological changes and under certain conditions (particularly the drop in the permanent work week), hours of training can be counted in the reduction in hours and thus enjoy government aid.

This aid can be combined with an FNE training agreement or with financial support from regional bodies or fall within the framework of the development of professional training. The advantage: "Instead of being scattered, financial aid is focused on enterprises that are facing technological and human changes with a coherent approach," the minister says.

The third aspect of the measures announced yesterday by Ralite is that enterprises concerned by the "production plan" will, within the framework of the reduced work week, receive additional investment aid. The three levels of aid previously mentioned will then be increased by 500 francs.

At the same time, the ministries concerned (Industry, Training and Employment) will set up technical divisions "capable of providing real counseling to the small and medium-size industries in drafting programs of social measures to go along with technological changes." In this connection, the minister recalled his February proposal at a meeting of European ministers to the effect that a European automobile plan be drafted along these lines.

As one can see, the new approach to the work week taken by the government is intended to be contractual, "associated with training and combined with better use of equipment." Ralite also says he is ready "to consider as an experiment the adapted use of partial unemployment funds" in sectors in difficulty, such as the automotive industry.

He also indicated that the partial unemployment reform (see LES ECHOS of 5 January 1984) will henceforth require corporate officials to prefer the shorter work week "whenever problems encountered cannot be attributed to purely circumstantial difficulties." Finally, the minister announced that recourse to the FNE early retirement would more than ever be affected by the reduced work week.

Conference on Unemployment Held

Paris LES ECHOS in French 22 May 84 pp 2-3

[Article by Adrien Popovici]

[Text] Facing the substantial rise in unemployment of great concern to the government, Pierre Mauroy has once again entered the spotlight: "We must reduce work hours without reducing production capacities," the head of the government said at the Rose Festival last Sunday in Lille.

"We shall not allow unemployment to go unchecked!" he said, "but in the fight for employment, the fight against unemployment cannot only be the business of the government. The reduction in the work week must be negotiated, as a factor of keeping on, even increasing, the number of employees," the prime minister said.

He announced "new (governmental) measures to fight unemployment," following a ministerial seminar that will bring all ministers concerned together on Friday.

Matignon's strategy is based on an observation: 1 -- The 39-hour legal work week has, like the 40-hour week for a long time, become a stumbling block. 2 -- A 1-hour reduction per year for 5 consecutive years could, according to economic projections, create nearly 900,000 jobs. 3 -- Industrial reorganizations are expressed in massive personnel reductions, without any negotiations on the reduced work week. 4 -- France's growth prospects, particularly in 1985, point toward an improvement in purchasing power of cash wages, thus providing an additional reservation in favor of sharing work and income.

Concerning the legal 39-hour work week, the prime minister does not intend to proceed by legislation as in 1982, but he believes that the manner in which the shift from 40 to 39 hours comes about, without the loss of wages, blocked the process and aimed at enterprises.

Opposite

And yet, he told his entourage, the effect on employment is tangible only starting with the third or even fourth year of the reduction and this after

a process drawn out in time. The approach has just been confirmed by a working committee called together by the minister of social affairs who notes that in order to be effective in terms of employment, reductions in the work week must be major, but on two conditions: Production capacities must be maintained and there must be no compensation in terms of remuneration.

In other words, the opposite of what was begun in 1982 must be done and no wage compensation must be granted exceeding the possible additional gains in productivity obtained through the reduced work week. This is where the reorganizations come into play.

"The government's approach has been poorly understood," says one close to the government. Heads of companies have reacted too violently, as in 1979, at the time of Raymond Barre's 'lame duck' speech. Thus," the same source adds, "in three months, unemployment has increased more than experts predicted and enterprises are laying off employees." Whence the 35-hour message addressed to heads of businesses as well as to trade unions.

Political Message

It is true, Matignon admits, that the political situation lends itself to it particularly well. The conflict paralyzing the automobile industry across the Rhine, the election campaign for European assemblies, the disappointment of the left over the absence of any social proposal associated with austerity: None of this is unrelated to the resumption of the 35-hour issue which, as everyone has forgotten, the Ninth Plan made its "ardent obligation." It is a "good tool," but the prime minister knows that it must be used "with caution." He "regrets that still today, heads of enterprises have not resolutely taken this path and do not want to engage in negotiations on work sharing or part-time work."

For Mauroy, the work week must be both "an effective instrument of fighting unemployment," the opportunity for a "reorganization of production" and a "more effective use of equipment" and even "a factor of accelerating the automation of our factories." This is why he asks social partners to negotiate by sectors and branches to speak of employment, wages, work conditions, in other words, of production.

"The CNPF wants to begin negotiations on work flexibility, which is fine," an aide to the prime minister told us. "But it must also accept talks on the work week," he continues.

Resumption of the 35-hour work week therefore has a significance that is more political than economic. Industrial logic moves to a secondary level. As proof, the automobile industry is given as a prime example for the application of the 35-hour week. Of course, the head of the government does not exclude flexibility in application: "The drop in the work week can involve another type of development," he says, "if it can adapt to the realities of each branch, each enterprise."

But it is a fact and any abstract discussion of it only shifts attention away from the ever-increasing need to seek greater competitiveness and a larger share of the market. In this, the dialectic envisages only short-range objectives, while the strategy must necessarily be conceived in medium- and long-range terms.

11,464

CS0: 3519/366

. . . BONNE COMMENTATOR ON HINDRANCES TO ECONOMIC REVIVAL

Paris LE NOUVEL ECONOMISTE in French 7 May 84 p 51

[Article by Raymond Soubie, associate professor at the Sorbonne-Celsa: "The Liberal Renewal"]

[Text] An observer familiar with our customs and our turn of mind would not believe his eyes if he returned to us after some years of absence. He would find that the France he had known in the past, with its centralizing tendency, mistrust of profit and conviction about the role of the state as the guardian of the public good is now accepting liberal ideas, attentive to business concerns, conscious of the responsibility of the individual, and hostile to excessive administrative power. What a revolution! With the exception of a handful of unrepentant partisans of state control, the intellectuals, politicians and political economists are celebrating new ideas, each in his fashion.

The opposition, devoted to the search for a carrier current and an effective therapeutic method for dealing with socialism, seems definitively to have distanced itself from the "burning obligation" of the plan and the tradition of the Fifth Republic.

The dominant socialist faction in the majority has undergone a still more amazing development. What happened to the usual themes pertaining to the "French path toward socialism?" If one is to take the statements of the leaders of the regime literally, they have acquired the faith of converts and become the proselytes of capitalism and free enterprise.

Our observer would definitely have many reasons for being surprised and entranced. Finally, the country would seem to have found a consensus forged not on the basis of themes inherited from the past, but rather the will to do battle with the weapons of modern nations.

We too should rejoice at this realization, and do everything to make it real and enduring. But worries, which must indeed be dissipated, continue. Isn't the bride too beautiful? Is the intellectual and political development as profound as it seems? Is it not in danger of disappearing as quickly as it appeared? In fact, two threats hang over it. They are the more to be feared because they are the product of failings to which we often surrender ourselves joyfully. The first is the spirit of the system. When the United States

creates jobs by the millions or Japan sets the example of fine economic aggressiveness, we try to define and to imitate the "American" or "Japanese" models, as if they were "key in hand" solutions to our problems. Thus we are perhaps ignoring the essential thing: the pragmatism of these countries, their refusal to theorize constantly about the reality, and the multiplicity and diversity of the concrete undertakings of all kinds which it is difficult to include in a Cartesian scheme. In short, in seeking to transpose these models, we remain faithful to our failings.

The same spirit of this system leads some politicians to let it be believed that imitation of another, in this case involving more freedom and responsibility, could be a miraculous and speedy solution to many of our evils. Obviously it could not be anything of the sort. The use of these methods would only yield results in the long range, and it would first of all lead to a considerable rise in prices and an increase in unemployment, the consequences of returning to businesses price freedom, realism in public rates, state budget cuts, and the broadening of the right to dismiss workers.

The second threat hanging over the liberal renewal is our propensity for believing that discussion takes the place of action. To what is the current fervor actually leading? The opposition should make its intentions clear. It is true that the majority has changed its position concerning business, along with its economic policy. It now focuses its efforts on the center. But where are the measures to increase the responsibility of the economic and social protagonists, and to reduce the power of the state? "In the beginning there was the word," our politicians seem to believe. No, in the beginning, there was action.

The renewal of ideas and conduct in this country and the beginnings of a consensus on the essential issues between long opposing camps are hopes which are too precious and too fragile to allow them to be compromised by some of our particular national failings.

5157

CSO: 3519/375

INTERPRETATION OF FOREIGN TRADE DECLINE IN APRIL

Paris LE NOUVEL ECONOMISTE in French 4 Jun 84 pp 40-41

[Article by Jean-Claude Hazera]

[Text] A temporary malaise or a foreboding sign of serious problems? The administration is disturbed about April's foreign trade results. A study is now underway to better understand the 4.4 billion deficit and the downturn in the industrial trade surplus, which has declined from 9 billion francs to 6.3 billion. And in the meantime, there is talk about the uncertainties of statistics.

It is true that foreign trade quite often contains surprises. At the beginning of President Mitterrand's 7-year term, while all eyes were glued to the budget deficit, it was the worsening of the trade deficit (93 billion francs in 1982) which led the administration to its austerity measures in March 1983. At that time Jacques Delors, in the midst of widespread disbelief, announced that the 1983 deficit would be reduced to 40 or 45 billion. It actually turned out to be 43 billion, which surprised even the author of the forecast himself. For the past 4 months, the trade deficit has been up again, averaging about 4 billion per month, after dropping to less than 1 billion. What does this mean? With the benefit of hindsight, everything can be explained. Results at the end of 1983 were abnormally good, because petroleum products were taken out of storage and sold, and because the balance of trade in agricultural and food commodities was exceptionally good. Until March, the industrial trade balance soothed all such concerns. Now that it is less good, people tend to remember that during the first quarter there was an unusually large number of ship and aircraft deliveries, including about 10 Airbus.

It we look at this in greater detail, we can find a thousand special reasons. "Our sales have not been as good since the

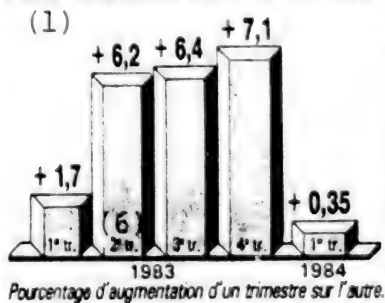
beginning of this year," says an export representative of the Vendee Mechanical Company, whose sales of breadmaking equipment earned it the "Export Oscar" award from the NOUVEL ECONOMISTE last December. Why? Administrative red tape in the big markets in North Africa.

A Total Picture

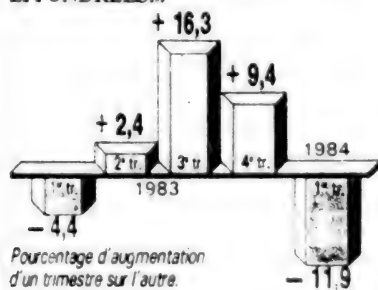
But neither general reasons nor minor details change anything in the total picture, which is not what had been believed until the end of 1983. Swept along by the wave of euphoria created by miracle trade balances and sales in the United States, the French, with the media and ministers leading the way, were still too eager to believe that a fundamental change had taken place: "We weren't exporting much; now that is beginning to change," said Ms Edith Cresson [minister of foreign trade] on 12 May, speaking on RTL. But in reality, it is the difference in the economic situation in France and that situation abroad which explains the essential part of this upturn. Raymond Barre pointed this out in his recent "Economic Evaluation" published by L'EXPRESS. The next Report on the Economic State of the Nation will confirm this. Differences in vitality between our various markets may even create the illusion of structural effects. "The reason why we are no longer the leading European automobile manufacturer at this time is that some of our best markets, such as Portugal and Spain, are not doing well, while we don't have as good a foothold in the strong markets of northern Europe, such as Germany," people at Renault say. That still doesn't solve any of the fundamental problems of the French automobile industry, whose exports to the rest of Europe covered 107 percent of our imports last year, barely exceeding the 1982 level (105 percent), and very far from the export coverage they provided in 1978-1979 (250 percent).

Another indicator of the fundamental balance of trade strength: Jacques Plassard of Rexeco commented that France's share in the market of the world's 12 leading exporters, which climbed from 9 percent in 1982 to 9.3 percent in 1983, fell to 8.9 percent during the first quarter of this year. A Matignon [prime ministry] staffer offered an explanation for the temporary high in 1983, saying: "With the announcement of the austerity plan, French businesses tended to sell what they were holding in storage, while foreign companies anticipated a recovery in their markets, and held on to their goods."

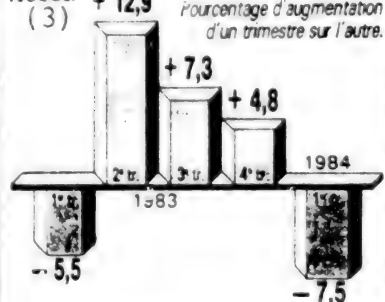
LES EXPORTATIONS ONT RALENTI...



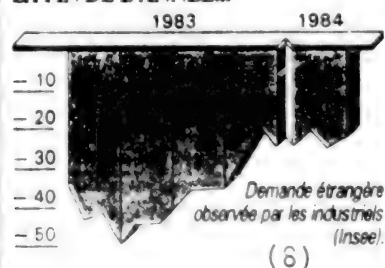
(7)
... CAR LES VENTES
D'AGRO-ALIMENTAIRE SE SONT
EFFONDREES...



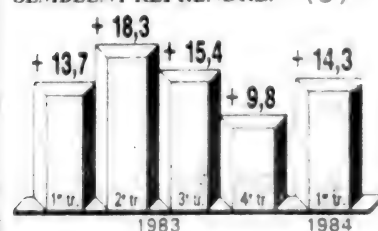
... MAIS CELLES D'AUTOMOBILES
AUSSI.



LES INDUSTRIELS (4)
PREVOYAIENT UN PALIER DES
LA FIN DE L'ANNEE...



... MAIS CERTAINES COMMANDES
SEMBLENT REPRENDRE. (5)



Grands contrats. Montants trimestriels en milliards de francs. (9)

Key:

- Exports have slowed down...
- because agricultural and food sales have collapsed...
- but automobile sales are down too.
- Industry spokesmen predicted a leveling off starting at the end of the year...
- but some orders seem to be up.
- quarter
- Percentage of increase from one quarter to the next.
- Foreign demand reported by industry (INSEE [National Institute of Statistics and Economic Studies])
- Major contracts. Quarterly totals, in billions of francs.

Even though business activity was not as good as expected in Great Britain during the first quarter, and even though Germany had to cope with the impact of the strike for a 35-hour work-week, business activity remains recovery-oriented for most of our neighbors. That is what allows the government experts, using data reported by INSEE [National Institute of Statistics and Economic Studies], to hope that the industrial balance will remain at a good level in the months to come. Still, we can't afford to forget that the aftermath of the big contracts signed last year is just beginning to have an impact on shipments. A new worsening of the industrial balance would transform the present alarm bell into a siren's blast. In order to hold to the forecast of a deficit of 20 to 25 billion this year, while we are already at a deficit of 17 billion, the administration and the INSEE are counting on a new upturn in the agricultural and food trade balance at the end of the year, and on a less expensive energy bill (but 50 centimes more to the dollar add 1 billion francs to energy costs each month).

More Austerity

If these forecasts do not become a reality, what can be done? "That question has not yet been raised," people at the ministry of finance, the prime ministry, and the Elysee all say. More austerity ahead? A definite upturn in imports for the time being can not be blamed, while there is not the slightest doubt that unemployment is on the rise. Stimulating our neighbors' economic situation is not within our power. "Sales are only holding steady in countries with a strong currency," people at the CNPF [National Council of French Employers] are saying.

At least in theory, the inflation differential has not yet eaten up the competitive margin created by the March 1983 devaluation. But it is certainly no longer possible to earn more money from exports than in the domestic market, as our businesses as a whole did until the end of 1983, at least according to the INSEE's available estimates.

Without any obvious remedy in sight, in the event of a tolerable deterioration the administration would probably have to postpone the return to a trade surplus now programmed for 1985 and to set back after 1988 the day when France would again begin to repay more than it was borrowing. At the same time, the administration is still urging industry to "get moving." Mr Delors said recently: "If it takes a Legion of Honor decoration, I'll do that." The CNPF suggests instead that the situation be eased

somewhat by means of temporary hiring for export orders promised in September, and that they loosen exchange controls. The new head of the CFCE [expansion unknown], Jean-Michel Gardere, advocates two lines of action: concentrating the efforts of his organization on solvent markets, especially nearby markets; and persuading not just a few isolated companies, but entire fields of industry, to export.

He may be close to the truth there.

7679

CSO: 3519/380

INDUSTRIAL RESEARCH AGENCIES SUFFER 'DRASTIC' BUDGET CUTS

Paris LE NOUVEL ECONOMISTE in French 28 May 84 p 63

[Article signed S. S.: "The Scars of the Budget Cuts"]

[Text] What a merry waltz! On the one hand, 2.25 billion francs regained, on the other, 250 million francs given back. At the end of March, there were drastic cancellations of credit (up to 8 percent of the initial 36.8 billion franc budget). At the beginning of May, authorization was given to the Atomic Energy Commission (AEC) and the National Center for Space Studies (CNES) to borrow to compensate for these cancellations in part. At a ratio of 10 to 1! And to the great detriment of research which, by definition, requires sustained and continuous effort to remain at the top international level.

The euphoric days of the Chevenement law are indeed long gone. In order to succeed in devoting 2.5 percent of the gross domestic product to research, the orientation and programming law called for the development of civilian expenditures in this sector at an annual rate of 17.8 percent in volume. Personnel, for its part, would increase at 4.5 percent per year, within a context in which economic growth would be 3 percent. "Now today it is almost 0, or at least below 1 percent," Francois Kourilsky, a researcher and vice-president of the Higher Research and Technology Council, explains. "Under these conditions, it is normal that the increase in the research budget would naturally be modified. It was necessary to make choices."

These choices were made, but not without leaving scars. There are those who do not hesitate to state that the departments of Minister of Economy, Finance and Budget Jacques Delors have made clear cuts, in the name of industrial reorganization, without really concerning themselves with their content. Certain research sectors were protected: space, electronics, a part of the aeronautics and nuclear sectors, the credit allocated to the Pasteur Institute, and, curiously, that assigned to the La Villette Museum of Sciences and Technology. Everywhere else, program authorizations, chapter by chapter and body by body, were deprived of a quarter of their credit. Industrial research was particularly affected. The sums allocated to the Research and Technology Fund were reduced. The budgets for the National Research Development Agency (ANVAR) and the French Agency for the Mastery of Energy (ASME) were also cut.

"They take away from us with one hand what they give to us with the other," the researchers protest. In a motion addressed to the minister of industry and research, the Higher Research Council did not hesitate to note that "scientific research should be excluded from this restrictive policy, as the army would be in time of war."

The banks summoned to the rescue cannot cover the shortage to be made up except very partially. The two loans of 140 (AEC) and 110 million francs (CNES) will be redistributed, to the extent of three-quarters, to public bodies: the CNRS [National Center for Scientific Research] (scientific research), CNEXO [National Center for Exploitation of the Oceans] (ocean exploitation), INRA (agronomical research), INRIA (data processing and automation). The AEC and the CNES were already given authorization to borrow last year, but not for the financing of other public research establishments.

5157

CSO: 3519/375

NATIONAL SCIENTIFIC RESEARCH CENTER SHOWS PROGRESS IN 1983

Paris LE NOUVEL ECONOMISTE in French 4 Jun 84 p 90

[Text] This is the first anniversary of the DVAR [Division for the Promotion of Research Applications] of the CNRS [National Scientific Research Center]. Its director, Jacques Duby, formerly with IBM, a sort of "Mr Inhouse Industry," has reason to be pleased. Compared with 1982, all indicators (patents, industrial contracts, innovation grants) are up from 25 to 60 percent. There is just a single exception: scientists' internships in business are down 3 percent. This symbiosis between the leading French research organization (9,900 scientific personnel and a budget of 7.7 billion francs) and industry is working. The past attests to this, as we can see from the following example. Through a method for the chemical synthesis of Vitamin A, developed in a joint ENS [Advanced Teacher Training School] and CNRS lab, the Rhone-Poulenc subsidiary AEC has managed to remain a world leader for this product. This vitamin, which is essential for growth, accounts for 1 percent of the worldwide animal feed market. This means total sales revenue of about 600 million francs, and the market is being fought over by major French, Swiss, and U.S. chemical firms.

The front landing gear of the Airbus also owes a great deal to the CNRS. It is made of a highly sophisticated aluminum alloy, the result of collaboration between a metallurgy lab and Pechiney Aluminum. The essential procedure, the tempering, consists of a rapid cooling of the metal in a solution, then a gradual reheating, which gives the alloy its excellent mechanical properties. Everything depends on knowing how it should be done and on the thermal exchanges during manufacture. This is pure basic research, without which Airbus would not be such a strong competitive plane.

Successful Symbiosis

	1982	1983	Percentage of Increase
Patents filed*	71	91	28
Licenses	38	48	26
Industrial contracts**	109	172	58
"Development" budgets (in-house projects)	17	38	123
ANVAR [National Agency for the Advancement of Research Applications] innovation grants	29	66	127

* Filed by the CNRS (37 percent of the total between 1979-1982 were in the CNRS' own name; the rest were shared or were filed in the name of the industry involved).

** Signed by the CNRS on behalf of DVAR (10 percent higher than the total in 1982).

A Gold Mine of Brainpower

Even PME [Small and Mid-sized Companies] have perceived the advantages of making use of this gold mine of brainpower at the CNRS. The "Flux 2D" software, designed and developed by the Electronics Lab in Grenoble, is now produced commercially by a small local company with 10 employees, the Cedrat company (sales of 6.5 million francs). "We think this software is better than anything on the international market for helping to design modern machines for calculating electrical fields," says Pierre Ribard, the firm's P-DG [Chief Executive Officer]. Their goal: to make it "the electrical engineer's standard pocket calculator."

These specific examples provide an answer for people who criticize the CNRS for ignoring product development. But there is a great deal more that could be done. That is the message that Pierre Papon, director general of the CNRS, will be repeating all over France in June, saying that "the CNRS has an economic role to play, and it wants to make this known." He is now providing notice to both large and small industries.

7679

CSO: 3519/380

CRASH OF MIRAGE 2000 MAY PREJUDICE AIRCRAFT'S SALES

Paris LE NOUVEL ECONOMISTE in French 21 May 84 p 54

[Article signed by Ph. G.]

[Text] The decks are being cleared for action at Dassault in order to prevent the Mirage 2000 program from suffering as a result of an accident which occurred in Istres at the end of a test flight.

In fact, on 9 May, the second of the five prototypes of this new fighter plane (4 single-seaters and 1 double-seater) piloted by Jean-Marie Saget, the manufacturer's flight testing chief, suffered a breakdown in the fuel supply while it was preparing to land. The auxiliary circuit failed to function, and the SNECMA [National Aircraft Engine Studies on Construction Company] M53 jet would not respond. Pilot Saget barely had time to activate his ejection seat.

This accident came after 3050 flight hours, and in fact mass production of the Mirage 2000, the successor to the Mirage III which has been in use for more than 25 years as the major instrument of French air defense, was well underway. At Dassault, the stepped-up production was expected to result in a level of five planes per month between now and the end of the year. Definite orders currently call for 182 units: 20 for Egypt, 40 for India, 26 for Peru, 18 for Abu Dhabi and 78 for our air force.

The crash at Istres most certainly is likely to cause a certain delay in the testing program for the 2000. Not that the flights were interrupted for long, for they resumed on 11 May for the two-seater, but the lost prototype carried loads which simulated two large fuel reservoirs, in weight and in volume, and a whole range of bombs and missiles. Now this whole range was to be found on only the one unit. Thus it must be rebuilt and one of the other planes must be modified to accommodate it. This is a task which should not take too long: when a part of the first prototype of the 2000 burned, it was repaired in 8 days, thanks to intensive day and night work.

Debates

The most harmful effect is likely to be a certain reduction in credibility with regard to potential buyers of this aircraft (Greece, in particular), which has in the past been the cause of numerous polemics.

It has been charged that the 2000 came too late, that its engine was inadequate, that it did not initially have sophisticated radar equipment. In any case, one can be sure that the competition will not fail to refer to the accident. First of all, General Dynamics, the manufacturer of the single engine F16 jet (the plane of the contract of the century, ordered, to the detriment of the French Mirage F1 by four North European countries). And then Northrop, which is now offering a new version of its F5, the Tigershark, with a new engine. And finally, the American manufacturers of two engine jets, that is to say basically McDonnell Douglas (F15, and above all, the F18).

However, while the investigation commission is pursuing its inquiries (the wreckage was rebuilt under heavy guard in a hangar at Istres), the Mirage 2000 program continues to move ahead. The Saudi Arabian evaluation mission arrived on 14 May as planned for a test flight on the two-seater, and the official meeting on 2 July is still scheduled. On that date, the first mass-produced 2000s are to be delivered to the First Fighter Squadron, the 1/2 Cigogne, based in Dijon.

5157

CSO: 3519/375

LOWER BALANCE OF TRADE DEFICIT DUE TO LOW ECONOMIC ACTIVITY

Lisbon O JORNAL in Portuguese 25 May 84 p 21

[Article by Nicolau Santos]

[Excerpt] The deficit of the Portuguese trade balance during the first three months of the year amounted to 88.9 million contos, which represents a 19 percent decrease as compared with the same period of last year, according to provisional data revealed by the INE [National Statistics Institute]. This resulted from an increase of 59.2 percent of exports reaching 169.5 million contos, while imports grew much slower (19.5 percent, amounting to 258.5 million contos).

At the same time, the rate of coverage of imports by exports reached 65.5 percent, which represents a spectacular increase as compared to the same periods in 1982 (38.7 percent) and 1983 (49.1 percent).

The results of the 10 members of the European Economic Community are also significant: from a deficit of 25.4 million contos in the first quarter of last year, now there is a positive balance of 7.3 million contos. Portugal also has positive results with almost all countries of this economic bloc, with the exception of Italy (-4.7 million contos), FRG (-86.000 contos) and Ireland (-11,000 contos).

The results with the FRG are especially interesting because in the first quarter of last year the deficit was over 8.9 million contos, that is 100 times more! It is also being admitted that if the present tendency persists, Portugal will present a positive balance with Bonn even in the first half of this year.

The Portuguese trade balance also presents positive balances with the EFTA [European Free Trade Association] (8.6 million contos as compared with a deficit of 1.8 million contos in 1983), and countries of the old escudo zone (6.1 million contos against 3.8 million last year).

In the meantime, considerable deficits remain with the countries forming the Organization of Petroleum Exporting Countries (-41.4 million contos,

which represents a substantial increase as compared with 27.1 million contos deficit in the first quarter of 1983) and with the United States (-35 million contos as compared with -31.8 million contos previously).

At first reading this means that our energy and food dependency continues and has become worse (the OPEC is our largest supplier of petroleum and the United States of cereals), while the balance of our accounts abroad is achieved at the cost of cuts in the importation of equipment and machinery of which the EEC, and especially FRG, is one of our most important suppliers. Therefore, there seems to be no place for great euphoria when one sees the decrease of deficit with regard to the outside: in truth the causes which motivate this imbalance persist and the results reached were possible only due to increasing breakdown of domestic economic activity. Any short-term recovery will again originate new deficits, possibly larger ones.

It is also significant that the rate of coverage of Portugal with the EEC, which in the first quarter of 1983 reached the level of 1980 (71.1 percent and 71.8 percent respectively), has now reached 108.1 percent. The positive balance with the United Kingdom, for example, has already reached over 6 million contos.

As to the old escudo zone, in the period under consideration, there is an increase in our favor in exports (4.7 million contos in 1983 to 7 million in 1984) and a positive balance, which went from 3.9 million to 6.1 million, while imports remained the same (800,000 in 1983 and 1984).

In a brief reference to foreign trade with Spain during the first quarter of 1984, one should point out an increase in exports (over 43.7 percent more than in 1983), while imports increased by 16.3 percent.

The rate of coverage increased from 40.1 percent to 50.1 percent from 1983 to 1984.

Considered by countries, in the quarter of 1984 our main supplier was the United States with 47.4 million contos (18.3 percent of world total), followed by the FRG (24.4 million) France (19.7 million) the United Kingdom (19.3 million) and Saudi Arabia (14.4 million) totalling 125.2 million contos (48.4 percent of our purchases abroad).

In the same period, our largest client was the United Kingdom with 25.3 million contos (14.9 percent of world total), followed by FRG (24.3 million) and France (21.1 million). These three countries totalled 70.7 million contos, which corresponds to 41.7 percent of our exports.

11634

CSO: 3542/43

BRIEFS

SWEDISH-NORWEGIAN OFFSHORE COOPERATION--A Norwegian offshore contracting corporation registered as In-ocean has been established. The decision to initiate cooperation was made by the three offshore operations: Norwegian Contractors (NC) of Oslo, Ugland Construction Co Inc of Grimstad, and Consafe Offshore of Gothenburg. Ugland is one of Norway's leading shipping and offshore operations, and Norwegian Contractors is one of Norway's largest contracting companies and market leader in bottom-anchored production platforms. Norwegian Contractors did the three platforms at the Statfjordfaelt. [Text] [Stockholm DAGENS NYHETER in Swedish 30 May 84 p 11] 9992

CSO: 3650/213

SINES THERMOELECTRIC POWER PLANT TO OPEN IN 1985

Lisbon O JORNAL in Portuguese 25 May 84 p 10-E

[Text] The building of a thermal coal-operated plant by the EDP [expansion unknown] is the largest undertaking of the Sines port industrial complex whose investment, at 1983 prices, will be 67.8 million contos excluding financing charges.

The average cost of every kilowatt installed in this plant is 75 contos, and the plans are for an 80 percent national participation in the undertaking covering electrical mechanical equipment and of 100 percent in the civilian construction.

The building of the plant has begun with the opening of a shipyard in August 1980, and at the present time work on the installation of all equipment related to groups I and II is underway.

Work is in its final stage on the civilian construction of reinforced concrete buildings, piers for taking on and discharging water, transportation system, movement of coal and ashes and chimney.

On the group III the necessary excavation has been done and the work on the civilian construction of the building for machinery room and foundation for the steam generator is about to be started.

The Sines thermoelectric power plant will be built about 6 km to the south-east of the port, and it is envisaged that the first phase will have two groups with a nominal power of 300 MW each.

These groups will be of the unitary type, that is, each one of them equipped with a steam generator, an alternator-turbine group and a transformer.

In the second phase other two groups of equal power will operate, and the third group is already under construction.

All in all, the infrastructure of the plant envisages the possibility of installing a total power of up to 1,800 MW, using imported bituminous type coal.

The coal will be transported from a mineral wharf to be built in the Sines port for the plant using a system of conveyor belts with a capacity for 2,000 tons per hour.

The EDP is going to build a coal complex with a storage capacity of over 1 million tons, allowing for storing a 3-month reserve for the operation of the plant at full capacity.

About 80 percent of the ashes produced by the plant are volatile which will be supplied to cement industry and the cooling of the condensers will be done in cement, in open circuit, through the circulation of sea water.

The fresh water to be used will come from the Sines industrial distribution system supplied by the Morgavel dam.

The electricity produced at the plant will be sent to the transportation network by means of very high tension lines (150 kw to 400 kw).

The EDP states that since the beginning of the studies of the Sines plant the main concern was to minimize the effects of its establishment and operation on the environment and on the local population.

The firm plans to begin operation of the first group by April 1985, January of 1986 for the second group, and November of 1987 for the third group.

11634
CSO: 3542/45

ENERGY POLICY SEEN SOURCE OF FUTURE JOB, PROFIT LOSS

Madrid ABC in Spanish 1 Jun 84 p 60

[Text] Madrid, EFE--The secretaries-general of the UGT [General Union of Workers] and the CCOO [Workers Commissions] of the mining sector have doubts that the National Energy Plan [PEN] will create jobs in the coal subsector, according to statements they made before the Industry Committee of Congress. For his part, Juan Tesoro, president of HUNOSA [National Northern Coal Enterprise], acknowledged that the company's losses this year will approach 27 billion pesetas.

Both Jose Antonio Saavedra (UGT) and Manuel Nevado (CCOO) expressed their opposition to the role which the new PEN is assigning to coal, which in their opinion will not help alleviate the crisis in this sector. Both trade unionists manifested their opposition to the attitude taken by the committee chairman, socialist Jose Maria Triginer, who interrupted them several times for failing to limit their replies to the PEN text.

In turn, Saavedra expressed the concern of his trade union over the creation of jobs and voiced his doubts over the current PEN's ability to fulfill the objectives set for it in this sector. For his part, Manuel Nevado said that in his opinion the text does not seriously propose a reduction in Spain's energy dependence. He criticized the reduction in investments which, according to his figures, amount to 27 percent. Nevado's general impression is that "everything is geared to obtaining short-term results, and this could cost us dearly in the future." As for the prospects of creating jobs: "PEN is not going to create jobs [to match] those it is eliminating with the retirements being produced."

HUNOSA's Losses

Juan Tesoro, president of HUNOSA, also appeared before the commission to explain the reasons for the losses being incurred by that enterprise which could reach 27 billion pesetas this fiscal year. In Tesoro's opinion, one of the principal reasons for this deficit is the generalized labor unrest plaguing society which is the result of reasons and interests beyond management's control. In addition, he cited other causes: The natural and

physical difficulties of the deposits, historical reasons which began with the founding of the enterprise, social obligations, etc. On this last point, he explained that there are 30,000 retirees to take care of, compared to 21,000 persons still working.

In response to the questions of the deputies, Tesoro explained the problems experienced by the enterprise in the past 9 months, with growing labor unrest of the Maximum Workday Law, the Miner's Statute and the 3-year contract. Finally, he emphasized nonetheless that on days when there are no "labor disputes" HUNOSA meets its objectives. He pointed out that the enterprise is the primary source of an economic process which affects a region of 150,000 persons and stressed the importance of this mining exploitation for the maintenance of jobs and foreign exchange savings.

In turn, Juan Manuel Kindelan, director general of mines, defended PEN, which he said is seeking the optimization of coal consumption in Spain, and spoke of the importance of technological research.

8143

CSO: 3548/267

- END -

END OF

FICHE

DATE FILMED

17 July 1984